

Minnesota Gambling Control Board, Rules Effective 6/16/14
Rule-By-Rule Summary

- Rule: 7861.0210, subpart 2a.
What it does: Defines application software.
- Rule: 7861.0210, subpart 7a.
What it does: Defines the term “board”. Used throughout the rules, it clarifies that reference is to the Gambling Control Board.
- Rule: 7861.0210, subpart 7b.
What it does: Defines bonus play. A bonus play is the same concept as a multiple seal game for paper pull-tabs, already allowed by rule. However, in the multiple seal game definition, a player presents a paper pull-tab ticket to redeem; in electronic games, a player selects a bonus play to redeem. That distinction is clarified by definition.
- Rule: 7861.0210, subpart 8.
What it does: Clarifies the definition of breakopen bingo game to reflect, specific to electronics, the requirement that sealed sheets or faces may only be electronically generated after the face is purchased
- Rule: 7861.0210, subpart 9a.
What it does: Defines central server; specifies exactly what constitutes an electronic gaming central server, and that it is required to be located in Minnesota.
- Rule: 7861.0210, subpart 11a.
What it does: Defines communications network by identifying data transmission of electronic games. Under Minnesota Statutes, section 349.18, subdivision 1, paragraph (c), lessors are responsible for the cost of a communications network to conduct electronic games.
- Rule: 7861.0210, subpart 15a.
What it does: Defines electronic gambling equipment.
- Rule: 7861.0210, subpart 15b.
What it does: Defines electronic game occasion to identify the segment of time for which tracking and auditing game activity is built around, such as the game start/finish, deposits, reports, seller identification, and rent.
- Rule: 7861.0210, subpart 15c.
What it does: Defines electronic game system to encompass and accurately describe what manufacturers and linked bingo game providers must have tested for system compliance.
- Rule: 7861.0210, subpart 17a.
What it does: Defines facsimile of a pull-tab ticket.
- Rule: 7861.0210, subpart 31.
What it does: Corrects a typographical error in existing rule.
- Rule: 7861.0210, subpart 33a.
What it does: Defines local server.

- Rule: 7861.0210, subpart 37.
 What it does: Adds playing a bonus (multiple seal) electronic pull-tab game to the definition of multiple seal game.
- Rule: 7861.0210, subpart 38a.
 What it does: Defines operating system software.
- Rule: 7861.0210, subpart 40a.
 What it does: Defines mechanical and electronic paddlewheels.
- Rule: 7861.0210, subparts 40b and 40c.
 What it does: Defines point of sale and point-of-sale system.
- Rule: 7861.0210, subpart 41.
 What it does: Allows a progressive bingo game to be played again during the same bingo occasion.
- Rule: 7861.0210, subpart 44.
 What it does: Updates and more specifically outlines the random number generator requirements.
- Rule: 7861.0210, subpart 47.
 What it does: Makes a grammatical correction.
- Rule: 7861.0210, subpart 47a.
 What it does: Defines secured data transmission to require encryption conforming to the Advanced Encryption Standard (AES) specification defined by the National Institute of Standards and Technology (NIST) to protect data from unauthorized access or tampering.
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- Rule: 7861.0210, subpart 49.
 What it does: Strikes an obsolete statutory reference.
- Part: 7861.0215.
 What it does: Incorporates AES/NIST encryption specifications by reference.
- Rule: 7861.0230, subpart 9.
 What it does: Corrects an erroneous cross-reference in paragraph A, clause (1).
- Rule: 7861.0260, subpart 1, item C.
 What it does: Requires that a clear and physical separation or a tangible divider exist between the organization's gambling equipment and the lessor's business equipment, and requires invoices for gambling equipment at the lawful gambling premises to be maintained on the premises.
- Rule: 7861.0260, subpart 4.
 What it does: Corrects a grammatical error in Item C, subitem (4), unit (b).
 Requires that a player's name and identification number be registered (Item K), in direct response to Minnesota Statutes, sections 349.17, subdivision 9, paragraph (d); and 349.1721, subdivision 4, paragraph (h), that a player present and register a valid picture identification card before participating in electronic gambling. Determines who has a specific device at any given time, as well as the date and time when the device is issued to a player, the serial number or other unique identifier of the device, and the time the device is returned. Allows, in the

event of the theft or tampering of a device, the device to be tracked to an individual player in any given timeframe.

The registration information is required to be kept for a minimum of five days. (Existing law (Minn. Stat. sec. 349.19, subd. 10, para. (a), amended by Laws 2013, ch. 79, sec. 5) requires organizations to retain paper prize receipts, which contain a player's name and identification number, for 3-1/2 years. Part 7861.0320, subpart 9 (fund losses), states that when an organization has a fund loss by questionable means of its inventory or cash, the organization must file a report with local law enforcement authorities within five days of discovering the loss. Device theft or tampering is reported to the board within one business day; the registration log assists in the investigation of an allegation of theft or tampering, and five days is a reasonable amount of time to maintain the registration log. An organization is required to have internal controls in place to safeguard records and reports, and it is realistic to believe identification information will be safeguarded as part of the records an organization is required to maintain.)

Rule: 7861.0260, subpart 5.

What it does: Identifies pull-tabs as paper pull-tabs, changes the prize receipt limit from \$50 to \$100, removes the address requirement on prize receipt forms, and allows the use of a government-issued picture ID for prize receipts, a better avenue for investigators in the event of forgery or other criminal activity. A name and an ID number from a government-issued picture ID is allowed because not every winner will have a driver's license and a name and an ID number are sufficient to identify the person redeeming a prize.

Rule: 7861.0260, subpart 7.

What it does: The word "paper" is inserted before "pull-tab" both in the headnote and throughout the subpart.

Rule: 7861.0260, subpart 9.

What it does: Clarifies the procedure for electronic game start and close, and for shift change between bar operation and booth operation, and identifies the records and reports the point-of-sale system must produce and the organization must maintain.

Rule: 7861.0260, subparts 10 and 11.

What it does: Contains procedures for defective games and for defective, altered, lost, or stolen electronic devices.

Rule: 7861.0270, subpart 2.

What it does: Adds the word "bingo" to the headnote. Allows bingo-specific information to be displayed on an electronic linked bingo device.

Rule: 7861.0270, subpart 3, item J.

What it does: Adds large print bingo hard cards to braille requirements and allowances already in rule.

Rule: 7861.0270, subpart 3a.

What it does: Limits the number of bingo devices to two, rather than one, so long as one is used exclusively for electronic linked bingo. Removes references to paper bingo faces and paper to enable electronic bingo devices to be used for electronic linked bingo. Allows an organization to use a facsimile of bingo paper. Clarifies that the sales receipt requirement applies to electronic bingo devices used for non-linked electronic bingo. Allows an electronic bingo device used for electronic linked bingo games to also be used as an electronic pull-tab device.

- Rule: 7861.0270, subpart 4.
 What it does: Clarifies what must be included on bingo programs for hard card and paper bingo programs, for bingo games played on bingo paper sheets, and for bingo played an electronic bingo device. Allows electronic linked bingo programs to be posted at the point of sale or be available on each device. The rule requiring organizations to submit every change to their bingo programs 24 hours before using them was unnecessary; the board may spot check bingo programs that are currently in use. Copies of the programs must be kept by the organization for each bingo occasion conducted to enable the games as listed on the bingo program to be compared to the occasion records for accuracy.
- Rule: 7861.0270, subpart 5.
 What it does: Requires the signature of the person redeeming a bingo coupon, and allows coupons to be used for a linked bingo game.
- Rule: 7861.0270, subpart 6.
 What it does: Establishes that a bingo game begins with the first letter and number called, and establishes minimum requirements for a bingo pattern to ensure that bingo games conform to the public's general understanding of what constitutes a bingo game. Dictionary definitions often define bingo as requiring the player to cover five squares in a row. Other common patterns in Minnesota are "four corners" and "postage stamp". All of the basic bingo games currently played in Minnesota require at least four numbers to be called. The rule prevents deviation from this minimum. It also establishes minimum requirements in rule to distinguish that the game is not a keno game or a lottery-style numbers game where a player has to get set numbers regardless of the numbers being in a pattern.
- Rule: 7861.0270, subpart 7, item A.
 What it does: Adds that a "valid" bingo must be declared before a game stops to allow, in the instance of a falsely called bingo, the game to continue. A valid bingo has an actual winner.
- Rule: 7861.0270, subpart 10.
 What it does: Removes some linked bingo game requirements and adds other clarifying linked bingo game requirements. Paper linked bingo requires the player to call out "bingo", and this is not required for electronic linked bingo. Strikes this requirement for electronic linked bingo because the participants are at different physical locations throughout the state and are notified of the winner via the device. Local winner verification unnecessary; this is done automatically by the electronic linked bingo game system, and the system will confirm the correct pattern.
- Allows a linked bingo game to stop once a winning bingo pattern; the linked bingo provider has the option of stopping the game or allowing the game to continue on to award local consolation prizes.
- Adds procedures outlining organization requirements when there are winners of \$600 or more and when there are winners of less than \$600 for linked bingo conducted on an electronic bingo device because winners are handled differently if the winnings are less than \$600 and \$600 or more.
- Rule: 7861.0270, subpart 11.
 What it does: Allows bingo records and reports, with the exception of completed prize receipt forms and bingo coupons, to be maintained or converted and stored electronically.

Rule: 7861.0280 headnote.
What it does: Amends the headnote for part 7861.0280 to identify it as rules pertaining to “paper” pull-tabs.

Rule: 7861.0280, subpart 1.
What it does: Differentiates between paper and electronic pull-tabs.

Rule: 7861.0280, subpart 1a.
What it does: Clarifies how to handle paper pull-tabs sales at premises offering electronic pull-tabs.

Rule: 7861.0280, subpart 2.
What it does: Specifies “paper” pull-tab game flares and information.

Rule: 7861.0280, subpart 3.
What it does: Specifies that the subpart applies to paper pull-tabs. The term “cash register” is replaced with the more-current “point-of-sale system”.

Rule: 7861.0280, subpart 4.
What it does: Specifies that the subpart applies to “paper” pull-tabs.

Rule: 7861.0280, subpart 5.
What it does: Specifies that the subpart applies to “paper” pull-tabs.

Rule: 7861.0280, subpart 6.
What it does: Specifies that the subpart applies specifically to “paper” pull-tabs. Changes from two to four days for paying a winner by check. Changes the phrase “\$599 or less” to “less than \$600”. Provides for collection of completed tax forms from winners in order to collect taxes on winnings and process payment.

Rule: 7861.0280, subpart 7.
What it does: Specifies “paper” pull-tabs and dispensing devices.

Rule: 7861.0280, subpart 8.
What it does: Specifies “paper” pull-tabs and dispensing devices.

Rule: 7861.0280, subpart 9.
What it does: Updates “cash register” references to “point-of-sale system”. Provides for an uninterruptible power supply to preserve data. Specifies “paper” pull-tabs.

Rule: 7861.0280, subpart 10.
What it does: Updates “cash register” references to “point-of-sale system”. Specifies “paper” pull-tabs.

Rule: 7861.0280, subpart 11.
What it does: Specifies the start time of record retention. Allows organizations to maintain or convert and store certain records and reports in an electronic format. Updates “cash register” references to “point-of-sale system”. Specifies “paper” pull-tabs. Provides requirements for when separate cash drawers are used.

Rule: 7861.0280, subpart 12.
What it does: Specifies “paper” pull-tabs.

Rule: 7861.0285, subpart 1.
What it does: Establishes procedures for electronic pull-tab game operations, separate from paper pull-tab games, for ease of use of the rules by both organizations conducting electronic and paper pull-tabs and by regulators. Ensures consistency of play and clearly identifies the operational procedures for the conduct of electronic pull-tab games.

Rule: 7861.0285, subpart 2.
What it does: Provides direction on how to play an electronic pull-tab game when a player is presented with a multiple seal (bonus) win.

Rule: 7861.0285, subpart 3.
What it does: Identifies the operational procedures for progressive electronic pull-tab games and ensures consistency of play.

Rule: 7861.0285, subpart 4.
What it does: Allows up to two single deals of pull-tabs in an electronic pull-tab device to be commingled. The limit of two deals was established to cap the total number of tickets available at 15,000. Allowing a larger amount would allow the games to more closely resemble the play of a slot machine. When permitting electronic pull-tabs, the legislature made clear its intention that electronic pull-tab games should not mimic slot machines. Also, a two-deal limit reduces the knowledge of remaining winning tickets remaining in play, thereby reducing the chance of fraud where a seller could provide inside information to a player regarding the number of remaining winning tickets.

Rule: 7861.0285, subpart 5.
What it does: Provides requirements for electronic pull-tab game records and reports. Allow organizations to maintain or convert and store records and reports in an electronic format to save time, costs, and storage space. Records and reports must be available in paper format upon request.

Rule: 7861.0285, subpart 6.
What it does: Requires an organization to keep records past the retention period if notified of an investigation.

Rule: 7861.0290, subpart 4.
What it does: Changes from two to four days for paying a winner by check. Changes the phrase "\$599 or less" to "less than \$600". Provides for collection of completed tax forms from winners in order to collect taxes on winnings and process payment.

Rule: 7861.0290, subpart 7.
What it does: Clarifies record retention period for tipboard records. Requires organizations to complete tipboard game records, reports, and prize receipts in ink. Allows organizations to maintain or convert and store certain records and reports in an electronic format and requires paper copies be made available upon request. Requires recording the form number in lieu of previously required information.

Rule: 7861.0300, subpart 1.
What it does: Item E identifies the paddlewheel as a mechanical paddlewheel (as opposed to an electronic paddlewheel). Item G allows organizations to award prizes to more than one winner per spin.

Rule: 7861.0300, subpart 2, headnote only.
What it does: Changes the headnote to identify that the subpart refers specifically to mechanical paddlewheels.

- Rule: 7861.0300, subpart 2a.
 What it does: Provides standards for electronic paddlewheels.
- Rule: 7861.0300, subpart 3, item C.
 What it does: Allows the value of prizes to vary from spin to spin to give organizations greater flexibility to customize its prize offerings to its customer base.
- Rule: 7861.0300, subpart 4.
 What it does: Allows multiple paddlecards to be sold for a single spin to speed up the conduct of the game. Allows organizations to award prizes to the numbers on either side of a winning number for greater flexibility to customize prize offerings to an organization's customer base.
- Rule: 7861.0300, subpart 6.
 What it does: Provides a consequence if a new gambling manager does not meet board-authorized paddlewheel class requirements.
- Rule: 7861.0300, subpart 7.
 What it does: Updates language from video surveillance system (outdated) to digital recorder (DVR) system. Clarifies the required approval needed for any new paddlewheel with a table and sets minimum DVR system requirements. Provides for security and integrity of the DVR system to avoid altering or tampering, and ensures that changes to a DVR system are reviewed for compliance with standards. Allows for video of the table and the pointer to be presented in a side-by-side format or a picture-within-picture format.
- Removes the obsolete requirement of changing video recordings. Secures recordings for 90 days. Allows the board to modify the required recording format. Specifies that only a gambling manager or an authorized organization member or organization employee may access or run the DVR system and records.
- Rather than an "independent person", requires the gambling manager or an authorized organization member or organization employee, but excluding the paddlewheel table operator or cashier, lessor, lessor's immediate family, or lessor's employees, to review at a minimum one day's activity per table each week. The organization must submit recordings upon request in a format approved by the board, viewable frame by frame and at high speed.
- Rule: 7861.0300, subpart 11.
 What it does: Allows organizations to maintain records and reports in an electronic format to save time, costs, and storage space, and to make consistent with report requirements for other forms of lawful gambling.
- Rule: 7861.0310, subpart 7a.
 What it does: Sets procedures for conducting 50/50 raffles. Clarifies that a 50/50 raffle may be any percentage (60/40, 70/30, etc.) of the raffle's gross receipts as long as the percentage is printed on the tickets. Requires gross receipts to be tallied and announced prior to drawing to ensure the integrity of the raffle
- Rule: 7861.0310, subpart 11.
 What it does: Allows organizations to maintain records and reports in an electronic format to save time, costs, and storage space, and to make consistent with report requirements for other forms of lawful gambling.

- Rule: 7861.0320, subpart 1.
 What it does: Changes the sentence structure of the first sentence. There is no substantive change to this subpart.
- Rule: 7861.0320, subpart 2.
 What it does: Deletes obsolete language. Inventory has been accounted for on the cash basis since 7/1/12, so the obsolete language is deleted.
- Rule: 7861.0320, subpart 3.
 What it does: Authorizes the use of electronic banking through the use of debit cards and electronic transfers from the gambling checking account to make an organization's operations easier and cost effective.
- Rule: 7861.0320, subpart 4
 What it does: Specifies that deposit slip requirements apply to "paper" pull-tabs. Adds deposit information for electronic games (date and ending time of the electronic game occasion, along with the cash deposited).
- Rule: 7861.0320, subpart 7.
 What it does: Deletes the board-approved expenditures requirement because these expenditures are all defined as lawful purpose expenditures in statute. Eliminates paper filing requirements to allow for electronic filing.
- Rule: 7861.0320, subpart 14.
 What it does: Clarifies that an organization's annual report is to be submitted to the board upon request, rather than on an annual date determined by the board, because the board has the ability to spot check and independently verify an organization's annual reports to the IRS. Requiring organizations to submit documents that may not be specifically reviewed by the Board creates an unnecessary burden on the organizations.
- Rule: 7861.0320, subpart 18.
 What it does: Specifies that the subpart pertains to "organization" records and reports, and breaks one long paragraph into readable, lettered items. Allows organizations to maintain records and reports in an electronic format.
- Rule: 7863.0210, subpart 5.
 What it does: Expands the scope for background investigations by identifying and encompassing all individuals involved in electronic gaming subject to background investigations.
- Rule: 7863.0220, subpart 1.
 What it does: Adds a cross-reference.
- Rule: 7863.0220, subpart 2.
 What it does: Allows distributors to use their own lease forms. Replaces "pull-tab dispensing device" with "permanent gambling equipment". Sets lease requirements.
- Rule: 7863.0220, subpart 3.
 What it does: Replaces "electronic bingo device" with "permanent gambling equipment". Adds statutory references to the types of permanent gambling equipment that are electronic devices.

Rule: 7863.0220, subpart 4.
What it does: Specifies “paper” pull-tabs, and specifies that the return of defective games to a distributor must be also according to 7863.0210, subpart 4.

Rule: 7863.0220, subparts 4a and 4b.
What it does: Contains procedures for defective electronic pull-tab games or defective, altered, lost, or stolen devices.

Rule: 7863.0220, subpart 6.
What it does: Strikes obsolete references to the commissioner of revenue and to tax and employer identification numbers.

Rule: 7863.0220, subpart 15.
What it does: Adds lease prices to pricing reports.

Rule: 7863.0250, subpart 4.
What it does: Expands the scope for background investigations, and requires licensing agreements to be in place, be current, and available to the Board upon request.

Rule: 7863.0250, subpart 5.
What it does: Replaces “owned” with “held ownership interest” as part of a linked bingo game provider license application and includes the distribution of electronic bingo devices in the management plan. “Linked bingo paper sheets” is replaced with “bingos”. Includes in the management plan the allocation of interest earnings from progressive jackpot trust fund.

Rule: 7863.0250, subpart 7.
What it does: Expands the scope for applicant background investigations. Adds reference to statute ensuring that independent contractors providing application software are subject to the requirements and prohibitions of a linked bingo game provider.

Rule: 7863.0260, subpart 1.
What it does: Adds requirements for linked bingo game approval. Requires previously approved games to become compliant within 180 days. Sets lease requirements.

Rule: 7863.0260, subpart 2.
What it does: Prohibits a linked bingo game provider from providing equipment or services to a licensed distributor before licensure, and requires that linked bingo paper be delivered only to the licensed distributor that ordered the paper. Clarifies that lease requirements in existing rule also apply to the lease of electronic bingo devices used for linked bingo games.

Rule: 7863.0260, subpart 2a.
What it does: Adds game standards requirement; allows linked bingo proposed jackpot be displayed at the start of the game. Eliminates link status verification at least five minutes before first bingo number is selected (devices will not function unless the link is established). Requires procedures for game reconciliation in the event data transmission fails. Deletes specific modes of transmission. Deletes linked bingo game guide requirement (already provided in house rules or bingo program). Clarifies prize amount requirements.

Rule: 7863.0260, subpart 2b.
What it does: Provides requirements for seeding progressive jackpot prizes.

Rule: 7863.0260, subparts 3a and 3b.
 What it does: Contains procedures for defective games and defective, altered, lost, or stolen electronic linked bingo devices.

Rule: 7863.0260, subparts 5 and 5a.
 What it does: Specifies sales invoice requirements for linked bingo game providers who provide only linked bingo paper (subpart 5), and those who only provide electronic linked bingo equipment (subpart 5a). Strikes obsolete references to the commissioner of revenue and to tax and employer identification numbers. Adds distributors to invoice requirements.

Rule: 7863.0260, subpart 7.
 What it does: Makes a grammatical correction.

Rule: 7863.0260, subpart 8.
 What it does: Clarifies that the required records apply only to linked bingo conducted with paper. Adds additional progressive jackpot prize winnings because progressive games are allowed.

Rule: 7863.0270, Electronic Linked Bingo Game System Standards and Requirements.
 What it does: Contains the standards and requirements for electronic linked bingo game systems. Outlines system and game approval, and conformance with standards of previously approved systems and games.

Rule: 7864.0210, subpart 2.
 What it does: Expands the scope for background investigations to encompass all individuals involved in electronic gaming. Adds statutory reference for requirements and prohibitions of a linked bingo game provider.

Rule: 7864.0210, subpart 4.
 What it does: Expands the scope for background investigations to encompass all individuals involved in electronic gaming. Requires licensing agreements to be in place, be current, and be available to the Board upon request.

Rule: 7864.0210, subpart 5.
 What it does: Expands the scope for background investigations to encompass all individuals involved in electronic gaming.

Rule: 7864.0230, subpart 1.
 What it does: Adapts existing rules to apply to both paper and electronic games. Adds requirements for board approval for electronic pull-tab games, and specifies that previously approved games must become compliant within 180 days. Makes a grammatical correction.

Rule: 7864.0230, subpart 1a through 2
 What it does: Differentiates between paper and electronic pull-tabs.

Rule: 7864.0230, subpart 6.
 What it does: Allows electronic pull-tabs to be played on an electronic bingo device. Specifies that a central system does not need to be located at the site.

Rule: 7864.0230, subparts 8 and 9.
 What it does: Differentiates between mechanical and electronic paddlewheels.

Rule: 7864.0230, subpart 9a.
What it does: Establishes standards for electronic paddlewheels.

Rule: 7864.0230, subpart 11.
What it does: Removes the word “laboratory” from the headnote. Removes the word “permanent” as a description of gambling equipment. Eliminates the requirement that manufacturers attach a high tier winning ticket and a losing ticket to game family member flares (item B). Makes grammatical corrections (item F). Sets forth detail on what is expected from a board-approved testing laboratory (item G). Describes gaming devices to be tested (item H).

Rule: 7864.0235, Electronic Pull-Tab Game System Standards and Requirements.
What it does: Contains the standards and requirements for electronic pull-tab game system requirements. Outlines system and game approval, and conformance with standards of previously approved systems and games.

Rule: 7864.0240, subpart 1.
What it does: Allows for leased gambling equipment and replaces “buyer” with “recipient”. Sets invoice and lease requirements.

Rule: 7864.0240, subpart 1a.
What it does: Changes “pull-tab or tipboard” to “gambling equipment” to include electronic games.

Rule: 7864.0240, subpart 4.
What it does: Differentiates between paper and electronic pull-tabs.

Rule: 7864.0240, subparts 4a and 4b.
What it does: Contains procedures for defective games or defective, altered, lost, or stolen electronic pull-tab devices.

Rule: 7864.0240, subpart 5.
What it does: Adds electronic pull-tab games to returned gambling equipment report.

Rule: 7864.0240, subpart 6.
What it does: Differentiates between paper and electronic pull-tabs.

Rule: 7865.0240, subpart 1.
What it does: Makes a grammatical correction.