

# Minnesota Gambling Control Board

## NOTICE OF INTENT TO ADOPT RULES WITHOUT A PUBLIC HEARING

### Proposed Amendment to Rules Governing Lawful Gambling, Primarily Electronic Games, Sports-Themed Tipboards, and Other Changes; *Minnesota Rules*, Chapters 7861, 7863, and 7864; Revisor ID # RD4555

**Introduction.** The Minnesota Gambling Control Board intends to adopt rules without a public hearing following the procedures in the rules of the Office of Administrative Hearings, *Minnesota Rules*, parts 1400.2300 to 1400.2310, and the Administrative Procedure Act, *Minnesota Statutes*, sections 14.22 to 14.28. You may submit written comments on the proposed rules and may also submit a written request that a hearing be held on the rules until November 21, 2018.

**Agency Contact Person.** You must submit comments or questions on the rules and written requests for a public hearing to the agency contact person. The agency contact person is Peggy Mancuso, Minnesota Gambling Control Board, 1711 West County Road B, Suite 300 South, Roseville, MN 55113; phone (651) 539-1951; fax (651) 639-4032; [peggy.mancuso@state.mn.us](mailto:peggy.mancuso@state.mn.us).

**Subject of Rules and Statutory Authority.** The proposed rules are about lawful gambling, primarily electronic games, sports-themed tipboards, and other changes. In 2012 the Legislature amended *Minnesota Statutes*, chapter 349, by passing *Minnesota Laws 2012*, chapter 299, to provide for electronic pull-tab games, electronic linked bingo games, and sports-themed tipboard games.

- After six years of experience with electronic games, the board sees a need for clarification involving the electronic game format. Electronic pull-tabs have shown tremendous growth since first offered in 2012. With the evolution of electronic games along with advances in technology, the board must keep its rules current and relevant to insure the games' integrity.
- Sports-themed tipboards have been allowed in statute since 2012. However, because federal law prohibited the wagering on the outcome of sporting events, the Minnesota Gambling Control Board held off on approving any sports tipboard games. The U.S. Supreme Court recently decided in favor of states to legalize sports betting. For lawful gambling in Minnesota, that means that sports tipboards can move forward.
- There are a few other proposed rule amendments, but the main focus is to strengthen the authorized regulatory oversight as it pertains to electronic games and sports tipboards by:
  - > Standardizing electronic game terminology and point-of-sale (POS)/portal reports.
  - > Automating licensed organizations' (charities') daily reconciliation of cash with electronic game receipts.
  - > Eliminating common causes of profit carryover variances related to electronic games.
  - > Increasing efficiency and effectiveness of paddlewheel with a table regulation.
  - > Providing, as allowed in statute, standards and conduct guidelines for sports tipboards.

The statutory authority to adopt the rules is *Minnesota Statutes*, section 349.151, subdivision 4, paragraph (a), clauses (5) and (20); subdivision 4e; and subdivision 13.

A copy of the proposed rules, subject described immediately above, is published on the board's website, [www.mn.gov/gcb](http://www.mn.gov/gcb). A free copy of the rules is available upon request from the agency's contact person listed above.

**Comments.** You have until 4:30 p.m. on November 21, 2018, to submit written comment in support of or in opposition to the proposed rules and any part or subpart of the rules. Your comment must be in writing and the agency contact person must receive it by the due date. The board encourages comment. Your comment should identify the portion of the proposed rules addressed and the reason for the comment. You are encouraged to propose any change desired. Any comments that you have about the legality of the proposed rules must also be made during this comment period.

**Request for a Hearing.** In addition to submitting comments, you may also request that the board hold a hearing on the rules. Your request must be in writing and the agency contact person must receive it by 4:30 p.m. on November 21, 2018. Your written request for a public hearing must include your name and address. You must identify the portion of the proposed rules that you object to or state that you oppose the entire set of rules. Any request that does not comply with these requirements is not valid and the agency cannot count it when determining whether it must hold a public hearing. You are also encouraged to state the reason for the request and any changes you want made to the proposed rules.

**Withdrawal of Requests.** If 25 or more persons submit a valid written request for a hearing, the board will hold a public hearing unless a sufficient number withdraw their requests in writing. If enough requests for hearing are withdrawn to reduce the number below 25, the agency must give written notice of this to all persons who requested a hearing, explain the actions the agency took to effect the withdrawal, and ask for written comments on this action. If a public hearing is required, the agency will follow the procedures in *Minnesota Statutes*, sections 14.131 to 14.20.

**Alternative Format.** Upon request, this information can be made available in an alternative format, such as large print, braille, or audio. To make such a request, please contact the agency contact person at the address or telephone number listed above.

**Modifications.** The board may modify the proposed rules as a result of public comment. The modifications must be supported by comments and information submitted to the agency, and the adopted rules may not be substantially different than these proposed rules, unless the agency follows the procedure under *Minnesota Rules*, part 1400.2110. If the proposed rules affect you in any way, the board encourages you to participate in the rulemaking process.

**Statement of Need and Reasonableness.** The statement of need and reasonableness contains a summary of the justification for the proposed rules, including a description of who will be affected by the proposed rules and an estimate of the probable cost of the proposed rules. It is now available on the board's website at [www.mn.gov/qcb](http://www.mn.gov/qcb) and from the agency contact person. You may review it or obtain copies for the cost of reproduction by contacting the agency contact person.

**Lobbyist Registration.** *Minnesota Statutes*, chapter 10A, requires each lobbyist to register with the State Campaign Finance and Public Disclosure Board. You should direct questions about this requirement to the Campaign Finance and Public Disclosure Board at: Suite 190, Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155, telephone (651) 539-1180 or 1 (800) 657-3889.

**Adoption and Review of Rules.** If no hearing is required, the agency may adopt the rules after the end of the comment period. The agency will then submit the rules and supporting documents to the Office of Administrative Hearings for review for legality. You may ask to be notified of the date the Department submits the rules to the office. If you want to be so notified, or want to receive a copy of the adopted rules, or want to register with the agency to receive notice of future rule proceedings, submit your request to the agency contact person listed above.

Date: October 16, 2018

  
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Tom Barrett, Executive Director  
Minnesota Gambling Control Board