

Legislative Update 2015

Minnesota Gambling Control Board
mn.gov/gcb

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BINGO

New statutes:

- clarify that progressive games may start at any amount up to \$500
- restrict bar bingo only to sites that have on-sale alcohol
- replace \$300 per game limit on an organization's prize contribution for a linked bingo game with an 85% of gross receipts limit

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SENIOR CITIZEN BINGO

Bingo conducted at a nursing home, senior citizen center, senior living residence.

- No permit required (excluded).
- Guests of senior citizens may play.
- Removed restrictions on number of occasions per week.

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"HOT BALL" BINGO PRIZE

- Organizations may offer an additional prize of up to \$500 for a winning bingo face for which the last number called matches a pre-designated bingo number.
- Hot ball prize amount may be increased from game to game and/or occasion to occasion (similar to a progressive game).
- All players must be eligible at no additional cost (can't charge extra to participate).

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"HOT BALL" BINGO PRIZE

- Only one hot ball number each game.
- Hot ball number must be the same for all players.
- Hot ball number must be randomly selected after all faces for that game have been sold.
 - Exception – Hot ball number may be determined before all faces are sold if sealed bingo paper is used.

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BINGO NUMBER SELECTION

- Allows for disposable sealed bingo number selection placards
 - Used instead of a bingo ball selection device.
 - Looks like a pull-tab flare with 75 perforated windows.
 - Will probably come with bingo paper.
 - No disposable sealed bingo number selection placards have been approved for sale.

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BINGO

<p>Was:</p> <ul style="list-style-type: none">• Bingo patterns must require at least <u>4</u> called numbers for completion.	<p>Changed to:</p> <ul style="list-style-type: none">• Bingo patterns must require at least <u>3</u> called numbers for completion.
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Winning spaces must form a pattern on the bingo face.
Cover-none games are excluded.

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BINGO

<p>Was:</p> <ul style="list-style-type: none">• Only <u>one</u> number may be located in each bingo space.	<p>Changed To:</p> <ul style="list-style-type: none">• Up to <u>two</u> numbers may be located in each bingo space.
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May daub space if either number is called.

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B	I	N	G	O
4 11	17 23	34 36	50 59	71 74
1 8	22 30	31 37	48 52	62 66
7 15	19 27	FREE SPACE	55 60	67 68
6 9	16 21	42 45	47 49	61 69
2 5	24 29	32 38	51 53	72 75

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BINGO

<p>Was:</p> <ul style="list-style-type: none">• Payment for <u>progressive and linked bingo prizes</u> may be delivered to winning player within three business days.	<p>Changed To:</p> <ul style="list-style-type: none">• Payment for <u>any bingo prize of \$200 or more</u> may be delivered to winning player within three business days.
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BINGO

Was:

- Cover-all prize limit \$1,000 per occasion.
- Occasion prize limit \$2,800 plus cover-all game(s).

Changed To:

- Cover-all prize limit \$1,000 per occasion.
- Cover-none prize limit \$1,000 per occasion.
- Occasion prize limit \$2,800 plus cover-all and cover-none game(s).

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BAR BINGO

Was:

To conduct bar bingo at a site, an organization must also conduct another form of lawful gambling.

Changed To:

With consent from an organization already conducting another form of gambling at the site, an organization may conduct bar bingo at site without having to conduct another form of gambling itself.

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Consent Form

Organization A listed below consents to Organization B conducting electronic gambling and/or bar bingo at the premises.

Organization A:	Organization B:
Name and Address of Permitted Premises:	
Premises Permit Number:	Effective Date of Consent:
Circle One or Both: Electronic Pull-Tabs and/or Bar Bingo	

Chief Executive Officer (CEO) Signature, Organization A

Print Name

Date: _____

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BAR BINGO EXAMPLE

- Lions conduct pull-tabs at Joe's Bar, but they don't want to conduct bar bingo.
- Elks want to conduct bar bingo at Joe's Bar.
- This is allowed provided that:
 - Elks get consent from Lions to conduct bar bingo at site.
 - Elks get a premises permit for Joe's Bar.
 - Recommended consent form in handout and available on GCB website.

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CONTINUATION RAFFLE

- Allows an organization to conduct raffles where the winner(s) advance to another raffle drawing until the final winners are determined.
 - Ticket sales must stop after the initial drawing.
 - No additional cost for players beyond initial ticket cost.
 - Raffle must be concluded within 12 months.

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CONTINUATION RAFFLE EXAMPLE

- Raffle drawings held on four consecutive Sunday nights.
 - On July 12, the organization conducts the first round drawing.
 - Thirty \$20 winners are drawn who also then advance to next round.

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CONTINUATION RAFFLE EXAMPLE

- On July 19, a 2nd round drawing is held with ten \$50 winners who then also advance to the next round.
- On July 26, a 3rd round is held with three \$100 winners advancing to the final round.
- A final round is held at the community festival on August 2 with prizes of \$100, \$500, and \$1,000.

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CONTINUATION RAFFLE EXAMPLE

- Report gross receipts and all prizes to be awarded for the raffle (\$3,000) in the month of the initial drawing (July).
- Report all gross receipts and prizes on the LG100A (Schedule A) for the site where the initial drawing was held.

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CONTINUATION RAFFLE EXAMPLE

- The value of prizes reported, but not yet awarded by the end of July (\$1,600) are entered on the July Lawful Gambling Fund Reconciliation form.
- In August, when the final round prizes are awarded, the \$1,600 reconciling item is removed.

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RAFFLES

- Organizations allowed to award donated prizes in addition to the prizes listed on the ticket if they are displayed at the raffle drawing.
 - All prizes must be recorded on merchandise inventory records.
- Clarifies that organizations must have a DNR permit, along with GCB authorization, for raffles conducted in conjunction with ice fishing or hunting contests.

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RAFFLES

- Multiple organizations prohibited from bundling their raffle tickets together for sale as one unit.
- "Raffle Boards" are established as a new type of gambling equipment. No raffle boards have yet been approved by the GCB.

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MEMBERSHIP EVENT RAFFLES

- Organizations allowed to conduct one raffle each year in conjunction with an organization membership event.
- For example, "Jaycees Annual Membership Dinner"
 - Ticket price is \$50.
 - One ticket may include both raffle and dinner.
 - Organization may, but is not required, to sell dinner and raffle separately.

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MEMBERSHIP EVENT RAFFLES

- Organization must allocate portion of ticket price that is raffle related and report that portion as gambling income.
- Show the amount allocated to dinner and raffle on the ticket. For example:
 - "Dinner value \$40"
 - "Raffle value \$10"

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ELECTRONIC GAMES

Electronic games may only be conducted at a site that is either a bingo hall or a site that has an on-sale liquor license.

- "On-sale" means that the alcohol may be consumed on the premises.

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ELECTRONIC GAMES

With consent from an organization already conducting paper pull-tabs at the site, an organization may conduct electronic games at site without having to conduct paper pull-tabs itself.

- Same consent form that is used for bar bingo.

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ELECTRONIC GAMES

- Organizations no longer required to register players who are given an electronic pull-tab or electronic linked bingo device.
- Organizations must verify that players are of legal age.
- Organizations are required to complete a prize receipt form for any player who redeems credits of \$600 or more on an electronic pull-tab or electronic linked bingo device.

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ELECTRONIC GAME DEPOSITS

- Electronic game proceeds must be deposited within 4 business days after total electronic net receipts reach \$2,000 or on the first day of the next month, whichever comes first.

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ELECTRONIC GAME DEPOSITS

- Form LG861e requires organizations to track their daily electronic game net receipts.
- When the amount hits \$2,000 a deposit must be made within 4 business days.
- If amount does not exceed \$2,000 at any time during the month, then a deposit must be made on or before the first day of the following month.

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TIPBOARDS

- Allows tipboards to have more than one seal.
 - Organization may allow players to select which seal to open.
 - Seal may only be opened by an organization employee or volunteer.
- Tipboards of 100 tickets or less are no longer required to have sign-up lines on the game flare.
 - Was 32 tickets.
- To date, no tipboard games with these provisions have been approved by the GCB.

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MERGING ORGANIZATIONS

- If two nonprofit organizations merge, and at least one has an active license, the newly created organization will be considered to have been in existence at least 3 years for licensing purposes.
 - Used to be that one organization would have to be absorbed by the other organization in order to retain their gambling license eligibility.

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MISCELLANEOUS

- Organization may obtain an off-site permit regardless of event type.
- Late filing of GCB monthly reports may result in summary suspension.
- All audits and compliance reports must be included in organization meeting minutes.
 - local government, private, parent organization, etc.
- Removes obsolete requirement that the GCB publish an accounting manual.

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WHO CAN PLAY

- An employee or volunteer involved in the conduct of pull-tabs, tipboards, paddlewheel, or electronic linked bingo may not play electronic linked bingo at that same site.
 - Exception for volunteers who conduct paddlewheel without a table or 32-number or less tipboards.
 - They are allowed to play pull-tabs, tipboards, paddlewheel, or electronic bingo at the site on the next day.

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WHO CAN PLAY

Was:

- Pull-tab, tipboard, and paddlewheel employees had to wait 6 weeks after they quit to play these games at the site.

Changed To:

- Employees only have to wait 2 weeks to play pull-tabs, tipboards, or paddlewheel at the site where they worked.

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WHO MAY BE COMPENSATED

Was:

- An employee of the lessor could not be compensated by the organization even if the employee worked at one of the organization's other sites.

Changed To:

- Employee of a lessor may be compensated by an organization for the conduct of gambling at sites not owned by the lessor.

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PROMOTIONAL MATERIALS

- Linked bingo game providers and licensed manufacturers may provide promotional materials to organizations provided the total value does not exceed \$250 per year.
- Promotional materials may not include items normally purchased by the lessor for the operation of the lessor's business.

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REGULATORY FEES

- Exempt permit fees increased by \$50.
- Regulatory fee (paid to the Department of Revenue) increased from .1% of gross receipts to .125% of gross receipts.
- Distributor and manufacturer license fees increased by \$1,000 per year.

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CASH BASIS

Was:

- State gambling tax and regulatory fee reported to GCB on Schedule F for the month that the tax and fee was incurred.
- Tax owed for July was reported on July Schedule F.

Changed To:

- State gambling tax and regulatory fee reported to the GCB for the month in which it was actually paid.
- Tax owed for July is paid in August.
- Report on August Lawful Purpose Expenditures form.

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GCBREPORTS

- Several changes beginning with the July 2015 report that's due August 20.
- New instructions will be available by July 1.
- New forms available by August 1.
 - Don't want people filing June's reports on the new forms.
- Private software providers already have new information so that their programs can be updated.

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GCBREPORTS

JULY 2015 ONLY

ONE-TIME APPROVED ADJUSTMENT REQUIRED

Enter the amount from your June 2015
Schedule F, line 15, as an approved
adjustment on the July 2015 LG100F.

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GCBREPORTS

- Changes are in effect beginning with Fiscal Year 2016 (July 2015).
- Start with report that's due August 20.
- Instruction booklet available by July 1.
- Excel file available by August 1.

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1 - True or False?

There was a statute change regarding volunteers who conduct paddlewheel.

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2 - True or False?

There was a statute change regarding support of youth activities.

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3 - True or False?

If an organization doesn't want to conduct bar bingo at a site, it can consent to letting another organization conduct bar bingo at the site.

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4 - True or False?

Guests of nursing home residents may now legally play bingo at the nursing home.

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5 - True or False?

A new type of bingo prize
is now allowed called:

**"MAGIC BINGO
NUMBER SURPRISE
WINNER"**

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6 - True or False?

Bingo paper may now
have two numbers in
each square rather than
just one.

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7 - True or False?

Continuation raffles allow multiple licensed organizations to bundle their raffle tickets together to be sold as one unit.

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8 - True or False?

Beginning with the July 2015 report, the state tax and regulatory fee amount paid to the Dept. of Revenue will be reported on form LG100C, Lawful Purpose Expenditures.

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9 - True or False?

On their July 2015
LG100F, Lawful
Gambling Fund
Reconciliation form,
organizations will need
to enter an "Approved
Adjustment" amount.

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10 - True or False?

There is no limit on the
number of membership
event raffles an
organization may
conduct each year.

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True or False Answers

- | | |
|----------|-----------|
| 1. True | 6. True |
| 2. False | 7. False |
| 3. True | 8. True |
| 4. True | 9. True |
| 5. False | 10. False |

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Legislative Update



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mn.gov/gcb
or call your Compliance Specialist**

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