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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 356

01/24/2019 Authored by Halverson, Lien and Zerwas
The bill was read for the first time and referred to the Committee on Commerce

1.1 A bill for an act
1.2 relating to lawful gambling; regulating electronic paddlewheels; providing for use
1.3 of symbols; modifying methods of wagering and ticket requirements; amending
1.4 Minnesota Statutes 2018, sections 349.12, subdivisions 18, 28a, 28b, 29; 349.151,
1.5 subdivision 4a; 349.211, subdivision 2b; 609.76, subdivision 8.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2018, section 349.12, subdivision 18, is amended to read:

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

1.10 (a) Disposable gambling equipment includes the following:

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

1.12 (2) paper and electronic pull-tabs;

1.13 (3) jar tickets;

1.14 (4) paddle tickets and paddle ticket cards;

1.15 (5) tipboards and tipboard tickets;

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

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

1.20 (8) raffle boards; and

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

2.4 (b) Permanent gambling equipment includes the following:

2.5 (1) devices for selecting bingo numbers;

2.6 (2) electronic bingo devices;

2.7 (3) electronic pull-tab devices;

2.8 (4) pull-tab dispensing devices;

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

2.11 (6) paddlewheels, whether manually spun or electronic simulated paddlewheel systems
 2.12 that control the random generation of winning numbers or symbols and devices that accept
 2.13 player bet selections and transmit those selections to a central system that determines which
 2.14 wagers have won or lost and how much the wins are awarded;

2.15 (7) paddlewheel tables upon which wagers are made manually or electronically; and

2.16 (8) electronic raffle selection systems.

2.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.18 Sec. 2. Minnesota Statutes 2018, section 349.12, subdivision 28a, is amended to read:

2.19 Subd. 28a. **Paddle ticket.** "Paddle ticket" means a ~~preprinted ticket that can be preprinted~~
 2.20 by a licensed manufacturer used to place wagers on the spin of a manually spun paddlewheel
 2.21 or a paper ticket printed by a board-approved and registered point-of-sale system that is
 2.22 located at an approved site and used with an electronic simulated paddlewheel that is not
 2.23 used with an electronic paddlewheel table. Point-of-sale printed tickets record and summarize
 2.24 all players' wagers for up to ten consecutive spins. For electronic paddlewheel systems not
 2.25 using a electronic paddlewheel table, prizes are awarded to those presenting original printed
 2.26 tickets with winning selections that match the electronically saved record for the ticket
 2.27 presented. When used with an approved electronic paddlewheel table, wherein all wagers
 2.28 and resulting payouts are electronically recorded, a paddle ticket may be an electronic virtual
 2.29 image of a chip or ticket so long as the value of all chips or tickets in a player's account are
 2.30 of the same value recorded prior to any of that player's chips being placed into play. Upon
 2.31 quitting play, a secured printed voucher would be provided for redemption of outstanding
 2.32 balances owed from play on an electronic paddlewheel table.

3.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.2 Sec. 3. Minnesota Statutes 2018, section 349.12, subdivision 28b, is amended to read:

3.3 Subd. 28b. **Paddle ticket card.** "Paddle ticket card" means a card to which detachable
 3.4 paddle tickets are attached used in conjunction with a manually spun paddlewheel. Paddle
 3.5 tickets used with electronic wheels printed and recorded at the site by an approved
 3.6 point-of-sale system or electronic paddle tickets or chips used with an electronic paddlewheel
 3.7 table are not required to be used with or attached to a paddle ticket card.

3.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.9 Sec. 4. Minnesota Statutes 2018, section 349.12, subdivision 29, is amended to read:

3.10 Subd. 29. **Paddlewheel.** "Paddlewheel" means a vertical wheel marked off into sections
 3.11 containing one or more numbers or symbols, and which, after being turned or spun, uses a
 3.12 pointer or marker to indicate winning chances, and may only be used to determine a winning
 3.13 number or numbers, or symbol or symbols, matching a winning paddle ticket purchased by
 3.14 a player. A paddlewheel may be an electronic device that simulates a paddlewheel including
 3.15 computers and software that control the random outcome graphically displayed on an
 3.16 electronic simulated paddlewheel. An electronic simulated paddlewheel may have up to
 3.17 three independent rings that simultaneously spin as one spin event. No computer controlling
 3.18 the random outcome for more than one electronic simulated paddlewheel shall activate or
 3.19 enable subsequent spins on any electronic simulated paddlewheel of the same graphic style
 3.20 within three minutes of a previous spin except when the computer is controlling the random
 3.21 outcome of electronic simulated paddlewheels used with an approved electronic paddlewheel
 3.22 table. All electronic paddlewheel tables must allow for at least three simultaneous players.
 3.23 All electronic paddlewheel tables must be operated by a person not playing the game. The
 3.24 persons operating the tables shall determine when the table is locked from further wagering,
 3.25 when a spin is called, and when a table is open for wagering. No paddlewheel may be
 3.26 player-activated or be a single-player terminal.

3.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.28 Sec. 5. Minnesota Statutes 2018, section 349.151, subdivision 4a, is amended to read:

3.29 Subd. 4a. **Paddlewheel ~~rules~~ operations and electronic game simulation.** (a) The
 3.30 board shall promulgate rules governing paddlewheels for operation procedures, internal
 3.31 control standards, posted information, records, and reports. The board shall also adopt rules

4.1 governing electronic simulated paddlewheels including the manufacture, production,
 4.2 operation procedures, internal control standards, posted information, records, and reports.

4.3 (b) Before authorizing the lease or sale of electronic simulated paddlewheels and
 4.4 electronic paddlewheel systems, the board may examine electronic simulated paddlewheel
 4.5 and electronic paddlewheel systems, including all associated devices. The board may contract
 4.6 for the examination of the electronic simulated paddlewheel game systems and devices and
 4.7 may require a working model to be transported to locations the board designates for testing,
 4.8 examination, and analysis. The manufacturer must pay all costs of any testing, examination,
 4.9 analysis, and transportation of the model. The system, and all particular games to be offered
 4.10 by the system, must be approved by the board before it is used in the state and must have
 4.11 the capability to permit the board to electronically monitor its operation and internal
 4.12 accounting systems.

4.13 (c) The board may require a manufacturer in paragraph (b) to submit a certificate from
 4.14 an independent testing laboratory approved by the board to perform testing services stating
 4.15 that the equipment has been tested, analyzed, and meets the standards required by applicable
 4.16 board rules.

4.17 (d) The board, or the director if authorized by the board, may require the deactivation
 4.18 of an electronic simulated paddlewheel for violation of a law or rule and to implement any
 4.19 other controls deemed necessary to ensure and maintain the integrity of electronic simulated
 4.20 paddlewheels, electronic paddlewheel systems, and associated devices.

4.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.22 Sec. 6. Minnesota Statutes 2018, section 349.211, subdivision 2b, is amended to read:

4.23 Subd. 2b. **Paddlewheel prizes.** The maximum cash prize ~~which that~~ may be awarded
 4.24 ~~for a paddle ticket is \$70.~~ from an individual wager on a paddlewheel of \$1 or less is \$500.
 4.25 The maximum cash prize that may be awarded from an individual wager of more than \$1
 4.26 but not exceeding \$2 is \$1,000. An organization may not sell ~~any paddle ticket~~ an individual
 4.27 wager on a paddlewheel for more than \$2, and no person may wager more than \$50 on any
 4.28 spin of a paddlewheel.

4.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.30 Sec. 7. Minnesota Statutes 2018, section 609.76, subdivision 8, is amended to read:

4.31 Subd. 8. **Value of chips or tokens.** The value of chips or tokens approved for use in a
 4.32 game designed to be played with or operated by chips or tokens, as the term "value" is used

5.1 in section 609.52, is the amount or denomination shown on the face of the chip or token
5.2 representing United States currency. Chips used in tournament play at a card club at a class
5.3 A facility have no United States currency value. Virtual chips or virtual tickets represented
5.4 by chip or ticket images used with an electronic paddlewheel table are not required to have
5.5 the value posted on the virtual chip or ticket image provided that:

5.6 (1) all virtual chips or tickets issued and possessed by a player are of the same value,
5.7 determined by the player at the time of first purchase; and

5.8 (2) the computer that determines the payout calculation of winning bets recognizes the
5.9 value of each chip or ticket.

5.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.