

CHAPTER 7856
STATE LOTTERY
LOTTERY RETAILERS

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7856.2010 RETAILER APPLICATION.

Subpart 1. Application. A person interested in obtaining a contract as a retailer for the sale of lottery tickets shall file an application to become a lottery retailer with the lottery in the form and manner prescribed by the lottery. A lottery retailer interested in selling lottery tickets at an additional business location not specified in the retailer's current contract may submit an application to amend the lottery retailer's contract to authorize the sale of lottery tickets at the other business location.

Subp. 2. Fee. Each retailer application for an initial contract must be accompanied by a nonrefundable fee of \$100. The initial application fee is valid for persons who reapply to be retailers and who have not previously contracted with the lottery absent any material change in the information contained in the initial application. An application to amend a contract to authorize the sale of lottery tickets at an additional business location must be accompanied by a nonrefundable fee of \$100 per business location. A renewal of a contract must be accompanied by a nonrefundable fee of \$20.

Statutory Authority: *MS s 349A.02; 349A.05*

History: *21 SR 147*

7856.2020 SELECTION OF RETAILERS.

[For text of subpart 1, see M.R.]

Subp. 2. Factors to be considered. Before selecting a lottery retailer or selecting an additional business location for a lottery retailer, the director shall consider:

[For text of items A to H, see M.R.]

[For text of subp 3, see M.R.]

Statutory Authority: *MS s 349A.02; 349A.05*

History: *21 SR 147*

7856.3010 ISSUANCE OF CONTRACT.

Subpart 1. General. Retailer contracts may be entered into or amended by the director without limitation, except that the director may, at the director's discretion, determine that a sufficient number of retailers or locations exists within a given marketing area to adequately serve the public convenience and necessity or that the addition of lottery retailers or locations would not result in a sales increase sufficient to warrant contracting with that retailer or amending the retailer's contract authorizing the retailer to sell lottery tickets at an additional business location.

[For text of subps 2 and 3, see M.R.]

Subp. 4. Types of contracts. Contracts entered into between the lottery and a retailer under this part may be distinguished by game type or by the number of business locations at which the lottery retailer is authorized to sell lottery tickets, as determined by the director. The contract may be altered, amended, suspended, or canceled, in whole or in part, pursuant to the law, this chapter, game procedures, and the terms of the contract.

Statutory Authority: *MS s 349A.02; 349A.05*

History: *21 SR 147*

7856.3011 DENIAL OF APPLICATION; RECONSIDERATION.

If an application is denied, the lottery shall notify the applicant in writing of the denial along with a brief statement of the reason for denial. The applicant will be notified that the

applicant may, within 30 days, request reconsideration of the application. The application may be reconsidered by filing with the lottery a written statement setting forth the applicant's legal, factual, or equitable arguments, along with any supporting documents. The lottery may request that the applicant submit additional facts or documents prior to making a decision within 45 days after receiving all necessary information. The director, after considering any additional facts or documents submitted by the applicant, will make a decision whether to deny or grant a contract or deny or grant the application to amend the contract to authorize the sale of lottery tickets at an additional business location to the applicant.

Statutory Authority: *MS s 349A.02; 349A.05*

History: *21 SR 147*

7856.3020 CERTIFICATE.

Subpart 1. Issuance. Upon issuance of a contract or an amendment to a contract authorizing a retailer to sell lottery tickets, the director shall issue a certificate to the retailer for each of the business locations at which the sale of lottery tickets is authorized.

Subp. 2. Display. A lottery retailer shall prominently display the certificate issued under this part in an area visible to the general public at each business location at which the retailer's contract authorizes the sale of lottery tickets. The lottery retailer shall also mount a decal provided by the lottery at each business location at which the retailer's contract authorizes the sale of lottery tickets in a prominent place on the window or entrance to the business.

Subp. 3. Surrender. Every certificate issued under this part must be surrendered by the retailer upon cancellation, suspension, or nonrenewal of the retailer's contract.

Statutory Authority: *MS s 349A.02; 349A.05*

History: *21 SR 147*

7856.4020 BONDING OF RETAILERS.

The lottery shall require a bond, securities, or an irrevocable letter of credit from each lottery retailer in an amount the lottery determines, consistent with its conclusion of the financial stability of the retailer, to avoid monetary loss to the state because of the activities of a retailer in the sale of lottery tickets. The bond must be in a form provided by the lottery and through a company authorized to do business in this state and approved by the director. If securities are deposited or an irrevocable letter of credit filed, the securities or letter of credit must be of a type or in the form provided under Minnesota Statutes, section 349A.07, subdivision 5, paragraphs (b) and (c).

Statutory Authority: *MS s 349A.02; 349A.05*

History: *21 SR 147*

7856.4050 NONTRANSFERABILITY AND NONASSIGNABILITY OF CONTRACT.

A retailer contract issued under this chapter may not be transferred or assigned. If the nature of the business or location to which a contract is issued or the ownership substantially changes, the director reserves the right to approve or cancel the contract. The retailer must notify the director in writing at least 30 days before any proposed business or location change or change in ownership. A substantial change in ownership under this part means a transfer of 50 percent or more of the equity of the retailer.

Statutory Authority: *MS s 349A.02; 349A.05*

History: *21 SR 147*

7856.6010 CANCELLATION, SUSPENSION, AND NONRENEWAL OF CONTRACT.

Subpart 1. Mandatory. A contract or authorization for a lottery retailer to sell lottery tickets at a particular business location must be canceled if the retailer has been determined by the director to have:

[For text of items A to D, see M.R.]

Subp. 2. Discretionary. A contract or authorization for a lottery retailer to sell lottery tickets at a particular business location may be canceled, suspended, or not renewed if it is determined by the director that the retailer:

[For text of items A to N, see M.R.]

[For text of subp 3, see M.R.]

Statutory Authority: *MS s 349A.02; 349A.05*

History: *21 SR 147*