

CHAPTER 7861
GAMBLING CONTROL BOARD
GENERAL PROVISIONS

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7861.0010 DEFINITIONS.

Subpart 1. **Scope.** The terms used in this chapter have the meanings given them in this part. Where not otherwise defined in this chapter, terms have the meanings given them in Minnesota Statutes, sections 349.11 to 349.23.

Subp. 2. **Bingo.** "Bingo" means a game where each player has a bingo hard card or bingo paper sheet, for which a consideration has been paid, which is played according to rules of the board for the conduct of bingo.

The term bingo does not include any game which is played via television, telephone, satellite dish, or any other telecommunications transmission or receiving device. Nothing in this definition prohibits an organization from using closed circuit television at its leased or owned premises in the conduct of its bingo occasions, provided that the closed circuit television signal shall not be capable of being transmitted between sites leased or owned by an organization.

Subp. 3. **Bingo leased premises.** "Bingo leased premises" means the area leased by an organization solely for the conduct of bingo and other forms of lawful gambling that an organization may be authorized to conduct. Bingo leased premises include bingo paper sheet and hard card sales areas, lawful gambling receipts accounting areas, participant playing areas, prize display areas, areas for the organization to draw, display, and post bingo numbers, restrooms, and the organization's gambling equipment storage areas. Other areas not used exclusively by bingo patrons or the organization's gambling employees are not included in bingo leased premises. Measurements of leased areas are to be taken from internal wall to internal wall.

Subp. 4. **Bingo occasion.** "Bingo occasion" means a single gathering at which 15 or more bingo games must be held, and which must continue for at least 1-1/2 hours but not more than four consecutive hours. A bingo occasion may have intermissions.

Subp. 5. **Bingo paper package.** "Bingo paper package" means a bingo paper sheet packet to which an organization has added individual bingo paper sheets or bingo paper sheets that an organization has fastened together to form a bingo paper package.

Subp. 6. **Bingo paper sheet.** "Bingo paper sheet" means a bingo sheet containing a face or faces that is manufactured from paper with or without preprinted numbers. A broken bingo paper sheet is considered a bingo paper sheet. The following also apply to bingo paper sheets:

A. Each bingo face must have 25 squares arranged in five vertical and five horizontal rows. The letters "B, I, N, G, O" must be preprinted above the five vertical columns, with one letter appearing above each column. The center space must be marked "free." Except for bingo paper sheets manufactured without preprinted numbers, the printed numbers on the bingo paper sheet face must correspond with the numbers and letters of the bingo balls, as follows:

- (1) numbers 1 to 15 in the "B" column;
- (2) numbers 16 to 30 in the "I" column;
- (3) numbers 31 to 45 in the "N" column;
- (4) numbers 46 to 60 in the "G" column, and
- (5) numbers 61 to 75 in the "O" column.

B. "Face number" refers to the number appearing on each bingo paper sheet face in a series, and allows for the verification of a winning bingo paper sheet face against a master book containing all of the faces in the series.

C. "Series" means a specific group of cards or faces that have been assigned consecutive card or face numbers by a manufacturer. Series are typically identified by the first and last card number in the group of cards, such as "1 to 9,000 series."

D. "ON's" means the number of bingo faces contained on a bingo paper sheet. For example, the term "twelve on" in reference to a bingo paper sheet means that the bingo paper sheet contains 12 bingo faces.

Subp 7. **Bingo paper sheet packet.** "Bingo paper sheet packet" means a group of bingo paper sheets that is manufactured, collated, and sold by the manufacturer as a unit. Bingo paper sheet packets shall not be sold as individual bingo paper sheets. UP's apply to bingo paper sheet packets. "UP's" means the number of bingo paper sheets contained in a bingo paper sheet packet. For example, the term "twelve up" in reference to a bingo paper sheet packet means that the packet contains 12 bingo paper sheets.

Subp. 8. **Bingo pattern.** "Bingo pattern" means a predetermined and preannounced arrangement of spaces to be filled in on a bingo hard card or bingo paper sheet face by a player to win a game of bingo.

Subp. 9. **Bingo program.** "Bingo program" means a printed listing of all bingo games offered by an organization for a specific bingo occasion and includes the information required by part 7861.0070, subpart 5a, items A, subitem (4); and B, subitem (4).

Subp 10. **Bingo session.** "Bingo session" means a group of bingo games conducted within a single bingo occasion that may be separated by an intermission.

Subp 11. **Breakopen bingo.** "Breakopen bingo" means a form of bingo in which the organization calls and posts, either by hand or by use of a flashboard, a predetermined quantity of randomly selected bingo balls from a bingo ball selection device, a separate tray within a bingo ball selection device, or a separate bingo ball container before the actual playing of the game. Only sealed breakopen bingo paper sheets are sold and used for breakopen bingo games.

Subp. 12. **Case paper.** "Case paper" means uncollated bingo paper sheets provided by the manufacturer in case lots. Case paper may be provided in either single bingo paper sheets or in a tablet from which the organization removes single bingo paper sheets.

Subp. 13. **Cash.** "Cash" means currency, money orders, or traveler's checks. Cash does not include personal checks or credit cards.

Subp. 14. **Column.** "Column" means a container in the interior of a pull-tab dispensing device that holds pull-tabs prior to dispensing.

Subp. 15. **Compensation.** "Compensation" means wages, salaries, and all other forms of remuneration for services rendered.

Subp. 16. **Consultant.** "Consultant" means a person, who is not an employee, who provides expert or professional advice on behalf of a licensed distributor or licensed manufacturer, or who receives compensation in any fashion from a licensed distributor or licensed manufacturer, for the sale or design of its lawful gambling equipment in Minnesota.

Subp. 17. **Continuation bingo game.** "Continuation bingo game" means a bingo game where more than one pattern may be played concurrently on one bingo paper sheet face or bingo hard card, with the requirement that all completed winning patterns must be verified independently and no restrictions shall be placed on the order of completing the required patterns.

Subp. 18. **Control number.** "Control number" means a unique alphanumeric or numeral code assigned by the organization which serves to identify a bingo paper sheet, bingo paper sheet packet, or bingo paper package as required by the board in part 7861.0070, subpart 7. The control number of the bingo paper sheet may be the serial number printed on the bingo paper sheet by the manufacturer. The control number of the bingo paper sheet packet may be the serial number printed on the top sheet of the bingo paper sheet packet by the manufacturer. The control number of the bingo paper package may be the serial number printed by the manufacturer on the top sheet of the bingo paper sheet packet used to assemble the bingo paper package, provided that the serial number on the top sheet of the bingo paper packet used to assemble the bingo paper package has not been previously used as a control number by the organization.

Subp. 19. **E-PROM microchip.** "E-PROM microchip" means an erasable programmable read only memory microchip which holds a pull-tab dispensing device's complete programming code.

Subp. 20. **Electronic currency validator.** "Electronic currency validator" means an electronic device in the interior of a pull-tab dispensing device that accepts valid currency, rejects invalid currency, and transmits the value of all currency accepted to the pull-tab dispensing device which permits the vending of pull-tabs from the pull-tab dispensing device.

Subp. 21. **Fair market value.** "Fair market value" is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale.

Subp. 22. **Family.** "Family" means a group of pull-tab, tipboard, or jar ticket games with the same name.

Subp. 23. **Family member.** "Family member" means a pull-tab, tipboard, or jar ticket game with the same name as another family member but with a different form number.

Subp. 24. **Flashboard.** "Flashboard" means an electronic device which displays the numbers and letters of called bingo balls.

Subp. 25. **Form number or part number.** "Form number" or "part number" means an alphanumeric code assigned by the manufacturer which serves to uniquely identify those characteristics of a game as required by the commissioner of revenue.

Subp. 26. **Fraternal organization.** "Fraternal organization" means a nonprofit organization which is a branch, lodge, or chapter of a national or state organization and exists for the common business, fraternal, or other interests of its members. The term does not include college and high school fraternities and sororities.

Subp. 27. **Fund raising costs.** "Fund raising costs" has the meaning given it in Minnesota Statutes, section 309.50, subdivision 12.

Subp. 28. **Gambling bank account.** "Gambling bank account" means all the accounts maintained by an organization at any banks, savings and loans, or credit unions located within Minnesota in which the organization deposits all gambling receipts and over which the organization has any control, including checking and savings accounts, certificates of deposit, and trust and escrow accounts.

Subp. 29. **Gambling equipment.** "Gambling equipment" means bingo hard cards, bingo paper sheets, bingo paper packages, bingo paper sheet packets, devices for selecting bingo numbers, pull-tabs, jar tickets, paddlewheels, paddlewheel tables, paddletickets, paddleticket cards, tipboards, tipboard tickets, and pull-tab dispensing devices. Permanent gambling equipment consists of devices for selecting bingo numbers, paddlewheels, paddlewheel tables, and pull-tab dispensing devices.

Subp. 30. **Gambling volunteer.** "Gambling volunteer" means an individual not compensated by an organization but who performs activities in the conduct of that organization's lawful gambling.

Subp. 31. **Immediate family.** "Immediate family" means spouse, children, parents, siblings.

Subp. 32. **Jar ticket.** "Jar ticket" means a single pull-tab ticket which is folded and banded.

Subp. 33. **Lawful gambling.** "Lawful gambling" is the operation, conduct, or sale of bingo, raffles, paddlewheels, tipboards, and pull-tabs. Lawful gambling does not include the conduct of a combination of any of the five activities listed in this subpart where the outcome of one of the activities is dependent on the outcome of one of the other activities, except as otherwise permitted by law or rule. Lawful gambling does not include betting related to the outcome of an athletic event.

Subp. 34. **Leased premises.** "Leased premises" means a building or place of business, or a portion of a building or place of business not owned by a gambling organization, that is leased in its entirety by a gambling organization for the sole purpose of conducting lawful gambling.

Subp. 35. **Limiting ball count.** "Limiting ball count" means a bingo game in which a bingo player must complete an announced bingo pattern within a predetermined number of bingo balls drawn and called by the organization, and which conforms to the requirements of part 7861.0070, subpart 5a, item F.

Subp. 36. **Management and general costs.** "Management and general costs" has the meaning given it in Minnesota Statutes, section 309.50, subdivision 11.

Subp. 37. **Master flare.** "Master flare" has the meaning given it in Minnesota Statutes, section 349.12.

Subp. 38. **Net receipts.** "Net receipts" are gross receipts less prizes actually paid out.

Subp. 39. **Other nonprofit organization.** "Other nonprofit organization" means one of the following:

A. an organization other than a fraternal, religious, or veterans organization, whose nonprofit status is evidenced by a current letter of exemption from the Internal Revenue Service recognizing it as a nonprofit organization exempt from payment of income taxes or which is incorporated as a nonprofit corporation and registered with the secretary of state under Minnesota Statutes, chapter 317A, or

B. an affiliate, subordinate, or chapter of a statewide parent organization that meets the criteria of item A. This type of other nonprofit organization is recognized only for purposes of conducting lawful gambling pursuant to Minnesota Statutes, section 349.166.

Subp. 40. **Paddleticket.** "Paddleticket" has the meaning given it in Minnesota Statutes, section 349.12.

Subp. 41. **Paddleticket card.** "Paddleticket card" has the meaning given it in Minnesota Statutes, section 349.12.

Subp. 42. **Paddleticket card number.** "Paddleticket card number" has the meaning given it in Minnesota Statutes, section 349.12.

Subp. 43. **Paddlewheel.** "Paddlewheel" is a mechanical vertical wheel marked off into sections containing numbers and which, after being spun, uses a pointer to indicate the winning number.

Subp. 44. **Paddlewheel table.** "Paddlewheel table" is the table described in part 7861.0100, subpart 9, and used in the game of paddlewheels governed by part 7861.0100, subparts 2 to 7 and 9 to 16.

Subp. 45. **Progressive bingo game.** "Progressive bingo game" is a bingo game in which a prize level is established, and during which the prize level may be increased according to part 7861.0070, subpart 6a, item E.

Subp. 46. **Pull-tab dispensing device.** "Pull-tab dispensing device" has the meaning given it in Minnesota Statutes, section 349.12.

Subp. 47. **RAM microchip.** "RAM microchip" means a random access memory chip which holds a pull-tab dispensing device's accounting and game information.

Subp. 48. **Religious organization.** "Religious organization" means a nonprofit organization, church, body of communicants, or group gathered in common membership for mutual support and edification in piety, worship, and religious observances.

Subp. 49. **Stacker box.** "Stacker box" means a component of the electronic currency validator that holds currency that has been accepted and validated by the electronic currency validator in the interior of a pull-tab dispensing device.

Subp. 50. **Test vend.** "Test vend" means the intentional accepting of currency or vending of pull-tabs through a pull-tab dispensing device in order to properly calibrate a pull-tab dispensing device's columns to accept currency and vend paper pull-tabs of varying lengths, widths, and thicknesses.

Subp. 51. **Veterans organization.** "Veterans organization" means any congressionally chartered organization within this state, or any branch, lodge, or chapter of a nonprofit national or state organization within this state, the membership of which consists of individuals who were members of the armed services or forces of the United States.

Statutory Authority: *MS s 349.151*

History: *20 SR 2624*

7861.0030 GAMBLING MANAGER.

Subpart 1. **License required.** No person shall act as a gambling manager without having obtained a license under this part. An individual shall make application to the board to be licensed as a gambling manager. Applications must be considered by the director pursuant to this part.

Subp. 2. **Licensing qualifications.** In addition to the qualifications in Minnesota Statutes, section 349.167, the director shall not issue or renew a gambling manager's license to:

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

E. a person who is the gambling manager or an assistant gambling manager for another organization,

F. on or after January 1, 1996, to a person who has not completed at least one of the following education requirements:

(1) for gambling manager license renewal applications, 2.5 credit hour equivalents of board-provided continuing education during each year of the individual's two-year license period; or

(2) for new gambling manager license applications, within the last 12 months attended a board-provided, two-day gambling manager training seminar and passed an examination prepared and administered by the board that tests the gambling manager's knowledge of the responsibilities of gambling managers and lawful gambling procedures, laws, and rules; or

G. a person who:

(1) has ever been convicted of a felony or a crime involving gambling;

(2) has ever been convicted of:

(a) assault;

(b) a criminal violation involving the use of a firearm, or

(c) making terroristic threats;

(3) is or has ever been connected with or engaged in an illegal business;

(4) owes \$500 or more in delinquent taxes to the state of Minnesota;

(5) had a sales and use tax permit revoked by the commissioner of revenue within the past two years;

(6) after demand, has not filed tax returns required by the commissioner of revenue;

(7) has not complied with Minnesota Statutes, section 349.167, subdivision 4, clause (1);

(8) within the five years before the date of the license application, has committed a violation of law or board rule that resulted in the revocation of a license issued by the board;

(9) has ever been convicted of a criminal violation involving fraud, theft, tax evasion, misrepresentation, or gambling; or

(10) has engaged in conduct the board determines is contrary to the public health, welfare, or safety or the integrity of lawful gambling.

Subp. 2a. **Emergency gambling manager.** In the case of the death, disability, or termination of a gambling manager, a replacement gambling manager must receive the board-provided gambling manager training seminar and pass the examination within 90 days of being issued a gambling manager's license. The board shall revoke the replacement gambling manager's license if the replacement gambling manager fails to pass the examination as required in this subpart or fails to comply with the licensing qualifications of subpart 2.

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

Subp. 4. **Length of license.** The gambling manager's license runs concurrently with the license of the organization unless the gambling manager's license is suspended or revoked. If a licensed gambling manager discontinues employment with the licensed organization, the gambling manager's license expires on the date that the employment terminates.

Subp. 5. **Contents of gambling manager application.** The application must contain the following information with respect to the applicant:

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

E. the current status of the gambling manager's license and the dates of attendance at the board-provided gambling manager's training seminar,

F. the name of the insurance company and the bond number for the gambling manager's \$10,000 fidelity bond;

G. a statement attesting that the applicant is in compliance with the restrictions in subpart 2;

H. an acknowledgment that the applicant agrees that suits and actions related to the gambling manager's license, or acts or omissions, may be commenced against the gambling manager;

I. an acknowledgment that the applicant authorizes the department of public safety to conduct a criminal background check;

J. for renewal applications, the date the applicant completed the board-provided continuing education classes for each license year of the gambling manager's current license; and

K. the notarized signature of the gambling manager.

Subp. 6. [Repealed, 20 SR 2625]

Subp. 7. **Changes in application information.** If any information submitted in the application changes after the application has been filed or during the term of the license, the organization must notify the board within ten days of the change.

Subp. 8. **License fees.** The fee for a gambling manager's license is as provided in Minnesota Statutes, section 349.167, subdivision 2. License fees are not prorated, refundable, or transferable.

[For text of subp 9, see M.R.]

Subp. 10. **Issuance and denial.** The following items apply to the issuance and denial of a gambling manager's license:

A. The director shall issue a gambling manager's license to a person who submits the information required by subpart 5 and pays the fee as provided in Minnesota Statutes, section 349.167, subdivision 2, pursuant to subpart 8 if that person is eligible to receive a license pursuant to subpart 2, Minnesota Statutes, section 349.167, and board rules. A license issued by the director pursuant to this part is effective on the first day of a month.

B. The director shall deny the issuance of a license to a person ineligible to hold a gambling manager's license pursuant to subpart 2, Minnesota Statutes, section 349.167, or board rules.

C. A person who has never been licensed as a gambling manager or a person whose application for renewal of a gambling manager's license was submitted after the expiration of the license may appeal the denial of a gambling manager's license by notifying the board within 15 days of the date the person receives notice that the issuance of the license has been denied. The appeal must be in writing and must contain a complete copy of the application and a statement describing the reasons the license should not be denied. The appeal is not a contested case under Minnesota Statutes, chapter 14.

The board shall refer the appeal to the executive committee which shall review the appeal within ten days of receipt. The executive committee shall issue a written decision within ten days of its consideration of the appeal. If the committee reverses the director's decision, it shall instruct the director to issue a license to the organization effective the first day of the month following the committee's written decision. The executive committee's decision is a final agency decision.

D. When the board, or director if authorized to act on behalf of the board, determines that issuance of a license renewal should be denied under Minnesota Statutes, section 349.167, and board rules, the board or director shall promptly give a written notice to the licensee stating grounds for the action and giving reasonable notice of the rights of the licensee or applicant to request a hearing. A hearing must be held not later than 30 days after the board receives the request for the hearing unless the licensee or applicant and the board agree on a later date. If no hearing is requested within 30 days of the service of the notice, the denial becomes final. Hearings under this subpart must be conducted according to Minnesota Statutes, chapter 14. After the hearing, the board may enter an order making a disposition as the facts require. If the applicant fails to appear at the hearing after having been notified of it under this subpart, the applicant is considered in default and the proceeding may be determined against the person on consideration of the written notice of denial, the allegations of which may be considered to be true. All fees accompanying the license or renewal application are considered earned and are not refundable.

Subp. 11. **Renewals.** Items A to E apply to renewals of a gambling manager's license.

A To renew a license at the end of a term, a licensed gambling manager must submit a complete renewal application on a form prescribed by the board to the board at least 60 days before the expiration of the gambling manager's existing license. A renewal application is not complete until it contains the information required by subpart 5, the fee required by subpart 8, and Minnesota Statutes, section 349.167, subdivision 2.

Complete applications received by the board less than 60 days before the expiration of the applicant's existing gambling manager's license will be considered pursuant to this part but, if the applicant is entitled to a renewed license, the license will not be renewed by the director until the first day of the month following the expiration of 60 days after the board has received the complete application. A person shall not continue acting as a gambling manager after the expiration of the person's license and until the person has received a renewed license.

B. The issuance of a renewal of a license must be denied if:

[For text of subitems (1) to (3), see M.R.]

C. A gambling manager who has had the issuance of a renewal license denied pursuant to item B may reapply for renewal of the license once the portion of the renewal application which resulted in denial has been remedied. The reapplication must be accompanied by an additional fee pursuant to subpart 8. Nothing in this part prevents the board from pursuing disciplinary action against a licensee for violations of law or rule which warranted the denial of a renewal application but were later remedied in a sufficient manner to allow renewal of the gambling manager's license.

D. A gambling manager who has had an application denied for failing to comply with the requirements in subpart 2, item F, may not apply for a renewal of a gambling manager's license or for an emergency replacement gambling manager's license, but may apply for a new gambling manager's license provided the individual has taken the board-provided gambling manager's seminar and passed the examination within the last 12 months before the new license is issued.

E. The board may not deny or delay the renewal of a gambling manager's license under Minnesota Statutes, section 349.167, because of the licensee's failure to submit a complete application by a specified date before the expiration of the license or permit, unless the board has first:

(1) sent the applicant by registered mail a written notice of the incomplete application; and

(2) given the applicant at least five business days from the date of receipt of the notice to submit a complete application or the information necessary to complete the application.

A gambling manager whom the director determines has failed to submit a complete renewal application may appeal that determination by filing a written request for a contested case hearing with the board before the expiration of the gambling manager's existing license. The director shall schedule a contested case hearing before an administrative law judge according to Minnesota Statutes, chapter 14. The hearing must be held less than 30 days after the service of a notice and order for hearing if allowed by the chief administrative law judge according to part 1400.5600, subpart 3. The board must issue its final decision within 30 days after receipt of the administrative law judge's report and subsequent exceptions and argument under Minnesota Statutes, section 14.61. The sole issue at the hearing is whether the applicant submitted a complete application after being duly notified of the incomplete application and prior to the director determining the application was incomplete.

Subp. 12. **Assistant gambling managers.** The following items apply to assistant gambling managers:

[For text of item A, see M.R.]

B. An organization may employ one or more assistant gambling managers if:

[For text of subitems (1) and (2), see M.R.]

(3) no assistant gambling manager participates in the conduct of lawful gambling for more than one organization except as provided in item C.

C. An assistant gambling manager may be employed by more than one organization provided that the organizations concurrently lease space for the conduct of bingo in the same licensed bingo hall, and provided that the assistant gambling manager is not compensated directly or indirectly by the licensed bingo hall or its owner. Assistant gambling managers employed by more than one organization according to this item may oversee gambling employees of organizations during bingo occasions, and assist organizations' gambling managers with the duties contained in subpart 9. Nothing in this item diminishes the responsibilities and ultimate supervisory authority of a gambling manager contained in subpart 9.

An organization employing an assistant gambling manager according to this part shall submit to the board a list of the duties that the assistant gambling manager is authorized to perform on behalf of the organization. The list must be signed by the organization's chief executive officer and gambling manager, and must reflect that it conforms to the requirements of this part. Any changes to the list of authorized duties must be submitted to the board in writing 24 hours in advance of implementation of the change.

Notwithstanding items A and B, assistant gambling managers employed by more than one organization according to this item shall not.

(1) supervise licensing and reporting requirements as required by statute and rule for the organization;

(2) hire, fire, or impose permanent discipline on gambling employees of the organization, except for temporary disciplinary action that may be necessary during a bingo occasion and recommendations to the gambling manager regarding permanent disciplinary action;

(3) determine the program content or prize level requirements for the organization;

(4) determine the product to be purchased and put into play;

(5) be a gambling employee or volunteer at any other site where the organization by which the assistant gambling manager is employed conducts lawful gambling; or

(6) be a gambling employee or volunteer for any other organization conducting lawful gambling.

D. No license is required for an assistant gambling manager.

Subp. 13. Proof of identification. Proof of identification shall be required for all gambling manager examinations. Attendees at all board-provided seminars and continuing education classes shall be prepared to present proof of identification. Proof of identification may be established only by one of the following:

A. a valid driver's license or identification card issued by Minnesota, another state, or province of Canada, that includes the photograph and date of birth of the licensed person;

B. a valid passport;

C. a board-issued identification card; or

D. a valid military identification card issued by the United States Department of Defense.

Statutory Authority: *MS s 349.151; 349.167*

History: *20 SR 2625*

7861.0040 PREMISES PERMITS.

[For text of subps 1 to 3, see M.R.]

Subp. 4. Attachments to application. The following must be attached to the premises permit application:

A. A copy of the lease must be submitted. A lease must be on a form prescribed by the board and must contain at a minimum the following information:

[For text of subitems (1) to (3), see M.R.]

(4) the term of the agreement, which must be concurrent with the term of the premises permit, unless terminated sooner by mutual consent of the parties or pursuant to subitem (13);

[For text of subitems (5) to (8), see M.R.]

(9) for bingo leased premises an itemized listing, including the cost of any goods or services that the lessee purchases from the lessor or purchases from a third-party vendor pursuant to the terms of the lease, including but not limited to, trash removal, snow removal, parking lot maintenance, or building maintenance. All goods or services included in the lease agreement shall be valued at their fair market value;

(10) the days and hours that each pull-tab dispensing device will be in operation, if any;

(11) all obligations between the organization, its employees or agents, and the lessor and its employees or agents;

(12) an irrevocable consent from the lessor that:

[For text of units (a) to (c), see M.R.]

(d) the lessor, the lessor's immediate family, and any agents or gambling employees of the lessor will not participate as players in the conduct of lawful gambling on the premises; and

(e) in addition to the requirements of subitem (9), the lessor shall maintain a record of all money received from the organization, and make the record available to the board and its agents, the commissioners of revenue and public safety and their agents upon demand. The record shall be maintained for a period of 3-1/2 years.

(13) a clause that provides for the termination of the lease if the premises is the site where illegal gambling has occurred;

(14) a clause stating that the lessor shall not modify, terminate, or refuse to renew the lease in whole or in part because the organization reported to a state or local law enforcement authority or the board the occurrence at the site of illegal gambling activity in which the organization did not participate; and

(15) any other agreements between the organization and the lessor

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

[For text of subs 5 to 10, see M.R.]

Statutory Authority: *MS s 349.151*

History: *20 SR 2624*

7861.0060 CONDUCT OF LAWFUL GAMBLING.

Subpart 1. **General restrictions.** The following items are general restrictions on the conduct of lawful gambling.

[For text of item A, see M.R.]

B. All playing of lawful gambling must be on a cash basis, in advance of any play. Traveler's checks and money orders are considered cash.

[For text of items C and D, see M.R.]

Subp. 2. **Restrictions for gambling on leased premises.** The following items are restrictions for gambling on leased premises:

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

E. Food and beverages may be dispensed within the bingo leased or permitted premises. Gambling employees of the organization working during that bingo occasion shall not provide this service. The organization shall not pay for the cost of the food and beverages from the organization's gambling accounts.

F. An organization shall not permit the lessor's business activities to be conducted on the leased premises, except for those activities permitted under item E.

G. An organization shall not permit the lessor, the lessor's immediate family, or the lessor's employees to participate as players in the conduct of lawful gambling on the leased premises.

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

[For text of subs 3 to 7, see M.R.]

Statutory Authority: *MS s 349.151*

History: *20 SR 2624*

7861.0070 BINGO.

Subpart 1. Restrictions. The following items are restrictions on the conduct of bingo. For purposes of this part, the term "employee" includes a "volunteer." The requirements of item B shall not apply to a bingo volunteer who works for an organization with gross receipts from bingo of less than \$150,000 in its last fiscal year. For purposes of this part, the term "gross receipts from bingo of less than \$150,000" means the gross receipts from bingo after any coupon discounts have been applied by the organization.

A. A gambling employee of an organization shall not participate as a player at a bingo occasion during which the employee works. An organization may adopt in its house rules, internal controls, or otherwise, broader restrictions regarding employee participation as a player in bingo occasions conducted by the organization.

B. A gambling employee who works during a bingo occasion may not communicate or have direct contact regarding the play of bingo with the employee's immediate family members who participate as players during the bingo occasion.

C. An organization shall not duplicate or otherwise make copies of bingo hard cards or bingo paper sheet faces.

D. An organization shall not cut bingo paper sheets (case paper), and an organization shall not separate or cut bingo paper sheet packets (collated paper).

E. An organization with annual gross receipts from bingo exceeding \$150,000 in its last fiscal year shall not use bingo hard cards, except for braille bingo hard cards as authorized in item F.

F. An organization may permit a legally blind player to bring and use a braille hard card. A braille hard card must reflect the letters and numbers required pursuant to Minnesota Statutes, section 349.17, subdivision 6, paragraph (a), in braille, and in a form that can be verified by sight by a person who is not able to read braille. An organization may disallow the use of a braille hard card which does not comply with applicable requirements for bingo hard cards. An organization may charge a blind person the same price for the use of a personal braille hard card as that which is charged for use of a bingo hard card or bingo paper sheet face provided by the organization.

G. An organization shall not reserve bingo hard cards, bingo paper sheets, bingo paper sheet packets, or bingo paper packages for any person.

H. An organization shall not use two or more sets of bingo paper sheets or bingo paper sheet packets during a single bingo game if they have identical faces, except that identical faces may occur on breakopen bingo paper sheet faces during a breakopen bingo game.

I. An organization shall not offer for sale any bingo paper sheets, bingo paper sheet packets, or bingo paper packages that were sold at a previous bingo occasion or bingo session.

J. An organization shall not offer free or discounted bingo hard cards, bingo paper sheets, bingo paper sheet packets, or bingo paper packages and an organization shall not offer or redeem coupons for bingo hard cards, bingo paper sheets, bingo paper sheet packets, or bingo paper packages except as provided in subpart 5a.

K. An organization or employee of an organization shall not engage in or permit any person on its premises to engage in any act, practice, or course of operation that manipulates the outcome of any bingo game.

Subp 2. Bingo equipment to be used. The conduct of bingo must include the following items:

A. A bingo ball selection device approved by the board pursuant to part 7864.0030, subpart 2, item E.

B. A set of 75 bingo balls bearing the numbers 1 to 75 and the letters B, I, N, G, O. Bingo balls bearing the letter "B" may only bear numbers 1 through 15; bingo balls bearing the letter "I" may only bear numbers 16 through 30; bingo balls bearing the letter "N" may only bear numbers 31 through 45; bingo balls bearing the letter "G" may only bear numbers 46 through 60; and bingo balls bearing the letter "O" may only bear numbers 61 through 75. Each bingo ball may bear no more than one letter and one number. The 75 bingo balls must be available for inspection and inspected by at least one player before a bingo occasion begins to

determine that all are present and in operating condition. Each bingo ball in the set must be equal in size, weight, shape, balance, and all other characteristics that control their selection, and must be free from any defects. Except for continuation bingo games, each bingo ball must be present in the bingo ball selection device before each bingo game begins.

C. Video cameras and displays may be utilized.

D. An organization shall purchase all bingo hard cards, bingo paper sheets, and bingo paper sheet packets from a licensed distributor.

E. All equipment used in the conduct of a bingo game shall be maintained in sound working condition.

Subp. 3. [Repealed, 20 SR 2624]

Subp. 4. [Repealed, 20 SR 2624]

Subp. 5. [Repealed, 20 SR 2624]

Subp. 5a. **Manner of conducting bingo.** A bingo game must be conducted in the following manner.

A. For organizations using bingo hard cards, the following shall apply.

(1) An organization shall prominently post a notice on each premises where bingo is conducted which includes the price for each bingo hard card and a statement indicating that only cash sales are permitted. The notice must be printed in letters large enough to be clearly legible.

(2) An organization shall prominently post its house rules. In addition to the requirements of part 7861.0060, subpart 4, the house rules must be clearly legible and include, at a minimum, the following information:

(a) the organization's policy on declaring bingo and last number called;

(b) the reasons for potentially canceling bingo occasions; and

(c) a statement indicating the state agencies from which a player may obtain a copy of the Gambling Control Board's rules governing bingo.

House rules must be posted in such a manner that players have access to the house rules prior to purchasing any bingo hard cards.

(3) An organization shall obtain, maintain, and keep the most recent copy of the applicable statutes and the Gambling Control Board's rules governing bingo, on each premises used for the conduct of bingo at all times that bingo is conducted there.

(4) Bingo programs for each bingo occasion or bingo session must be made available to all players prior to the start of the first game at each bingo occasion or bingo session and include, at a minimum, the following information:

(a) a written description of each bingo game to be offered, including an illustration of each winning pattern,

(b) the prizes to be offered, including consolation prizes, and any determining factors used by an organization in determining the prize payout structure for the occasion; and

(c) the date of implementation of the program.

An organization with gross receipts from bingo of less than \$150,000 in its last fiscal year shall include in its bingo programs the methods used to determine the value of prizes when the value of prizes will be less than the values listed in the program.

Each bingo program, including the list of occasions or sessions at which that program will be used, must be approved in advance by the membership of the organization. A copy of the approved bingo program, including the list of occasions or sessions at which that program will be used must be included with the minutes of the meeting. A copy of the approved bingo program, including the list of occasions or sessions at which that program will be used must also be submitted to the board and postmarked or delivered to the board office at least 24 hours in advance of implementation of the program.

(5) An organization may make changes to approved bingo programs, provided that:

(a) the board must be notified in advance by the organization, which must submit to the board a copy of the amended bingo program, including any changes to the

list of occasions or sessions at which the amended program will be used. The notification must be postmarked or delivered to the board office at least 24 hours in advance of implementation of the changes; and

(b) the amended bingo program, including any changes to the list of occasions or sessions at which the amended program will be used, must be approved by the organization's membership in advance of the changes, or at the next membership meeting, and included in the minutes of the meeting.

(6) An organization with gross receipts from bingo of less than \$150,000 in its last fiscal year may adjust the price of bingo hard cards through the use of coupons, provided that the organization retains all redeemed coupons for a period of 3-1/2 years. All redeemed coupons must bear the printed name and signature of the person redeeming the coupon. Any coupon issued by an organization shall bear a specific dollar value.

(7) All sales of bingo hard cards must be on a cash basis and take place during or immediately preceding the bingo occasion or bingo session for which the bingo hard cards are being sold. All sales of bingo hard cards must occur at the organization's leased or owned premises. Bingo hard cards must be paid for prior to the start of a specific game. Bingo hard cards shall be used during the bingo occasion or bingo session for which they were purchased.

(8) If an organization has duplicate bingo hard cards in play, the organization shall conspicuously post that fact or notify all players before their purchase of bingo hard cards for a game or number of games.

(9) An organization shall use one or more checkers for each bingo occasion or session. The checker or checkers shall record on a form prescribed by the board the number of bingo hard cards played in each game, the face number of each winning bingo hard card, and the prizes awarded to the recorded bingo hard cards. Each checker shall certify that the figures are correct to the best of the checker's knowledge.

B. For organizations using bingo paper sheets, bingo paper sheet packets, or bingo paper packages, the following shall apply.

(1) An organization shall prominently post a notice on each premises where bingo is conducted which includes the price for each bingo paper sheet, bingo paper sheet packet, or bingo paper package, and a statement indicating that only cash sales are permitted. The notice must be printed in letters large enough to be clearly legible.

(2) An organization shall prominently post its house rules. In addition to the requirements of part 7861.0060, subpart 4, the house rules must be clearly legible and include, at a minimum, the following information:

(a) the organization's policy on declaring bingo and last number called;

(b) the reasons for potentially canceling bingo occasions; and

(c) a statement indicating the state agencies from which a player may obtain a copy of the Gambling Control Board's rules governing bingo.

House rules must be posted in such a manner that players have access to the house rules prior to purchasing any bingo paper sheets, bingo paper sheet packets, or bingo paper packages

(3) An organization shall obtain, maintain, and keep the most recent copy of the applicable statutes and the Gambling Control Board's rules governing bingo, on each premises used for the conduct of bingo at all times that bingo is conducted there.

(4) Bingo programs for each bingo occasion or bingo session must be made available to all players prior to the start of the first game at each bingo occasion or bingo session, and must include, at a minimum, the following information:

(a) a written description of each bingo game to be offered, including an illustration of each winning pattern;

(b) a description of the bingo paper sheets, bingo paper sheet packets, and bingo paper packages to be used, including:

i. the color of the paper, and a description of the border, if any;

ii. the number of bingo faces on each sheet;

iii. for bingo paper sheet packets, the number of sheets in each packet; and

iv. for bingo paper packages, the number and type of bingo paper sheets added by the organization to the bingo paper sheet packets;

(c) the prizes to be offered, including consolation prizes, and any determining factors used by an organization in determining the prize payout structure for the occasion; and

(d) the date of implementation of the program.

An organization with gross receipts from bingo of less than \$150,000 in its last fiscal year shall include in its bingo programs the methods used to determine the value of prizes when the value of prizes will be less than the values listed in the program.

Each bingo program, including the list of occasions or sessions at which that program will be used, must be approved in advance by the membership of the organization. A copy of the approved bingo program, including the list of occasions or sessions at which that program will be used, must be included with the minutes of the meeting. A copy of the approved bingo program, including the list of occasions or session at which that program will be used, must also be submitted to the board and postmarked or delivered to the board office at least 24 hours in advance of implementation of the program.

(5) An organization may make changes to approved bingo programs, provided that:

(a) the board must be notified in advance by the organization, which must submit to the board a copy of the amended bingo program, including any changes to the list of occasions or sessions at which the amended program will be used. The notification must be postmarked or delivered to the board office at least 24 hours in advance of implementation of the changes; and

(b) the amended bingo program, including any changes to the list of occasions or sessions at which the amended bingo program will be used, must be approved by the organization's membership in advance of the changes, or at the next membership meeting, and included in the minutes of the meeting.

(6) An organization with gross receipts from bingo of less than \$150,000 in its last fiscal year may adjust the price of bingo paper sheets, bingo paper sheet packets, or bingo paper packages through the use of coupons, provided that the redeemed coupons bear the printed name and signature of the person redeeming the coupon, and the organization retains all redeemed coupons for a period of 3-1/2 years. All other organizations may adjust the price of bingo paper sheets, bingo paper sheet packets, or bingo paper packages through the use of coupons provided that the organization maintains a record of each person redeeming a coupon for each bingo occasion that it conducts. Any coupon issued by an organization shall bear a specific dollar value. The record shall be maintained for a period of 3-1/2 years. The record shall include, at a minimum, the following information:

(a) an impression or photocopy of the person's driver's license or other form of picture identification including the person's full name and full address. If the person does not have a driver's license or other form of picture identification, an impression or photocopy of a driver's license or other form of picture identification, including the full name and full address, telephone number, and the signature of another person playing bingo during that occasion or session shall be obtained to verify the identity of the person redeeming the coupon;

(b) the monetary difference between the price of the bingo paper sheets or bingo paper sheet packets appearing on the distributor's invoice for that bingo paper sheet or bingo paper sheet packets and the price being paid by the person redeeming the coupon; and

(c) the printed name and signature of the person redeeming the coupon.

(7) All sales of bingo paper sheets, bingo paper sheet packets, or bingo paper packages must be on a cash basis and take place during or immediately preceding the bingo occasion or bingo session for which the bingo paper sheets, bingo paper sheet packets, or bingo paper packages are being sold. All sales of bingo paper sheets, bingo paper sheet packets, or bingo paper packages must occur at the organization's leased or owned premises. Bingo paper sheets, bingo paper sheet packets, or bingo paper packages must be paid for prior to the start of a specific bingo game, except in the case of a breakopen bingo game as authorized

by subpart 8, item D. An organization which sells bingo paper sheet packets or bingo paper packages after the first game in a bingo occasion or bingo session has begun shall deface those games contained in the bingo paper sheet packets or bingo paper packages for the games which have already been played or are in play, prior to the sale of the bingo paper sheet packet or bingo paper package.

(8) Bingo paper sheets, bingo paper sheet packets, and bingo paper packages shall be used during the bingo occasion or bingo session for which they were purchased. An organization shall not allow a player to carry over purchased but unused bingo paper sheets, bingo paper sheet packets, or bingo paper packages to a subsequent bingo occasion or bingo session.

C. An organization shall require a predetermined pattern to be completed in order to win a bingo game. The particular arrangement of spaces to be covered on a bingo hard card or marked with a liquid dauber on a bingo paper sheet face which must be completed in order to win the bingo game must be clearly described and verbally announced to the players immediately before each game is begun. In bingo games where players fill in the numbers on bingo paper sheet faces sold by the organization, the numbers filled in by the players must correspond to the appropriate columns on a bingo paper sheet face and the required pattern as designated by the organization. Only the numbers 1 to 15 can be placed in the "B" column, 16 to 30 in the "I" column, 31 to 45 in the "N" column, 46 to 60 in the "G" column, and 61 to 75 in the "O" column.

D. Continuation bingo games are permitted. For example, up to three patterns may be played on one bingo face. Each portion of the continuation game shall be considered a single bingo game, even though the bingo balls are not returned to the receptacle after a winner has been determined and verified.

E. Progressive bingo games are permitted. A progressive bingo game is one in which the established prize levels and/or number of bingo balls called may be increased from one occasion to the next occasion if no player completes the required pattern within the specified number of bingo balls drawn.

F. Bingo games with limiting ball counts are permitted. Limiting ball counts may be used by an organization for bingo games to establish prize levels in compliance with subpart 6a. All limiting ball counts must be prominently displayed prior to the start of the particular bingo occasion, announced prior to the start of the particular bingo game, and an explanation for the limiting ball counts must be included in the organization's bingo program for that bingo occasion or session. Bingo games which use limiting ball counts to determine prize levels must be played until a player declares bingo, the winning bingo hard card, or winning bingo paper sheet face is verified, and a prize is awarded.

G. Except for breakopen bingo games, a game of bingo begins with the first letter and number called. Each player must cover on the bingo hard card or mark with a liquid dauber the numbers on the bingo paper sheet face when bingo balls, similarly numbered, are randomly drawn, announced, and displayed to the players, either manually or with a flashboard or monitor. A bingo game is completed and won when

(1) a previously designated arrangement of numbers on a bingo hard card or bingo paper sheet face has been completed;

(2) one or more players have declared bingo;

(3) the winning bingo hard card or bingo paper sheet face has been verified by an organization employee; and

(4) a prize has been awarded.

H. The letter and number of a drawn bingo ball must be called out before the drawing of the next bingo ball. Once a bingo ball has been drawn, the bingo ball shall not be returned to the receptacle until after the conclusion of the game or continuation game.

I. All numbers and letters announced shall be clearly and audibly called.

J. Immediately following the drawing of each bingo ball in a bingo game, the caller shall display that portion of the bingo ball which shows the letter and the number to the participants in the game. The organization shall ensure that the majority of players are at all times able to see the letter and number of each drawn bingo ball.

K. If the bingo caller discovers that a wrong letter or number has been called, the caller shall announce that a wrong letter or number has been called, shall call the correct letter or number, then correct the flashboard, if any, and continue with the game.

L. After the letter and number are called, the corresponding letter and number on the flashboard, if any, must be lit for player viewing.

M. When a bingo player declares a winning pattern of letters and numbers on a bingo hard card or bingo paper sheet face for a bingo game, the serial number and face number of the bingo paper sheet face, or the face number of the winning bingo hard card shall be read aloud by an employee of the organization. Every winning bingo hard card or bingo paper sheet face shall be verified by an organization employee and at least one neutral player, or by an electronic verification device. A neutral player is another player who is not an immediate family member of the player declaring bingo.

N. Each bingo game shall be closed with the following procedure:

(1) the game shall be stopped after a player has declared bingo;

(2) when a bingo player declares a bingo, the next bingo ball out of the machine shall be removed from the machine before shutting the machine off, and shall be the next bingo ball called in the event the bingo is declared not valid. In the case of a continuation bingo game, the bingo ball shall be held and used as the first bingo ball drawn for the next game;

(3) the organization shall verify that the declared bingo is valid;

(4) the organization shall require an organization employee on the floor to read off the manufacturer's serial number and face number on the winning bingo paper sheet or the face number on the winning bingo hard card. A prize shall not be awarded unless the serial number and face number of the winning bingo paper sheet or the face number on the winning bingo hard card was among those offered for sale at that occasion; and

(5) the bingo caller shall then ask the players at least twice if there are any other bingos. If no one answers, the caller shall announce that the game is completed and the prize shall be immediately awarded to the winner.

Subp. 6. [Repealed, 20 SR 2624]

Subp. 6a. **Bingo prizes.** Prizes for games won at a bingo occasion or session shall be awarded at that bingo occasion or session according to Minnesota Statutes, section 349.211, and the following procedures.

A. Except for bingo games conducted pursuant to item F, the value of a prize which may be won in a bingo game must be verbally announced to players prior to the start of a bingo game and included in the bingo program for that occasion. Value means the dollar amount of the cash prize or the fair market value for noncash prizes. A bingo prize may consist of coupons to redeem bingo hard cards, bingo paper sheets, bingo paper sheet packets, and bingo paper packages. Unless a prize receipt is completed pursuant to items F and L, a bingo prize shall not have its value established by any method where the value of the bingo prize cannot be determined and verbally announced to players at the beginning of a bingo game. A bingo prize shall not consist of lawful gambling equipment, except as provided in this item.

B. A bingo prize shall only be awarded after a player has successfully completed a preannounced pattern of spaces on a bingo hard card or bingo paper sheet face with the letters and numbers called by an organization employee.

C. A prize for a single bingo game shall not exceed \$100.

D. A prize for a cover-all bingo game may exceed \$100 provided that the aggregate value of all cover-all prizes in any bingo occasion does not exceed \$1,000.

E. A prize for a progressive bingo game may start at up to \$300 and be increased by up to \$100 for each occasion during which the progressive bingo game is played. If the progressive prize is not awarded at a particular bingo occasion, the progressive bingo game shall be continued at a future bingo occasion until such time as a winner is determined. The winning prize in a progressive bingo game does not have to be the full amount of the jackpot, but may be a consolation prize of up to \$100. If the progressive prize is not awarded at a particular occasion, it may be carried over to a future bingo occasion and increased in value, provided that the prize never exceeds \$1,000 for any progressive bingo game.

F. In bingo games where players have the opportunity to win one of various, alternative prize levels, the organization will not be able to identify and announce at the beginning of the bingo game the value of the prize that will be won until the game is completed. Such bingo games are permitted only if the organization completes a prize receipt form upon completion of the bingo game. According to subpart 5a, items A, subitem (4), and B, subitem (4), the organization must describe in its bingo program any bingo games where players have the opportunity to win one of various, alternative prize levels, including the factors that will be used to determine the prize level that is won and the value of the alternative prize levels.

G. Merchandise prizes awarded in any bingo game shall be valued at their fair market value and shall not be redeemed for cash or converted into cash.

H. Donated prizes shall be valued at their fair market value and shall be included in the determination of compliance with Minnesota Statutes, section 349.211.

I. An organization conducting bingo in which any real or personal property prizes are awarded shall have paid for in full or otherwise become the owner without lien or interest of others of all the real or personal property prior to the bingo occasion or session at which the winners of the prizes are to be determined. For purposes of this subpart, savings bonds are not considered merchandise prizes and must be reported and announced at their purchase price value.

J. All prizes available to be won at a bingo occasion or session shall be won by a player based upon winning a bingo game and not by any other method which incorporates an element of chance. No prizes based on the result of a bingo game shall be awarded to anyone other than a player who has achieved the winning pattern of letters and numbers in the bingo game. An organization shall not award a secondary prize to a person based upon an outcome other than the selection of letters and numbers in a bingo game.

K. If there are multiple winners in any bingo game, the following shall apply.

(1) If the designated prize consists of cash, the total amount of the prize shall be divided equally, with an equal amount being awarded for each verified winning bingo face. The organization has the option of rounding fractional dollars to the nearest lower dollar. The total amount of the awarded prizes shall not exceed limits in Minnesota Statutes, section 349.211.

(2) If the designated prize consists of an item other than cash and the designated prize cannot be divided, the organization shall award substitute prizes to each verified winning bingo face. The substitute prizes must be of equal value to one another, with an equal prize awarded for each verified winning bingo face. The total value of the prizes must not exceed the limits in Minnesota Statutes, section 349.211.

L. A prize receipt form shall be completed for a winning bingo prize valued at \$100 or more. A prize receipt form shall also be completed for all bingo games where the value of the prize is determined by the selling price of the bingo paper sheet packet or bingo paper package, and for all bingo games where players have the opportunity to win various, alternative prize levels. The prize receipt form shall include, at a minimum, the following information:

(1) an impression or photocopy of the winner's driver's license or other form of picture identification including the person's full name and full address. If the winner does not have a driver's license or other form of picture identification, an impression or photocopy of a driver's license or other form of picture identification, including the full name and full address, and the signature of another person playing bingo during that occasion or session shall be obtained to verify the receipt of the prize;

(2) the face number of the winning bingo hard card, or the serial number and face number of the winning bingo paper sheet face;

(3) the cash value of the prize;

(4) a full description of all noncash prizes,

(5) the signature of the organization employee or volunteer making the payment;

(6) the signature of the winner; and

(7) the name, address, license number, and premises permit number or exempt number of the organization sponsoring the occasion.

Subp. 7. **General bingo records and reports.** The following records and reports shall be completed by the organization, and maintained for a period of 3-1/2 years. The records and reports shall be made available to the board, the commissioner of revenue, the commissioner of public safety, or their agents upon demand:

- A. the total number of players in attendance;
- B. the total amount wagered;
- C. the total prizes, including cash and market value of noncash prizes, awarded;
- D. a copy of the schedule of games and their prizes;
- E. the number and price of cards or sheets sold by type;
- F. the inventory of disposable bingo cards purchased by the organization; and
- G. for any bingo game with a prize valued at \$100 or more, a prize receipt as provided in subpart 6a, item L.

Effective December 1, 1996, items A to G shall no longer apply.

H. Inventory records.

(1) Effective June 1, 1997, an organization shall submit to the Department of Revenue an itemized inventory of all bingo paper sheets (case paper) and bingo paper sheet packets in inventory on hand on November 30, 1996.

(2) Effective December 1, 1996, each organization using bingo paper sheets, bingo paper sheet packets, or bingo paper packages shall maintain inventory records in a format prescribed by the board in accordance with subitems (2) to (6). A computer-generated form may be used with the approval of the board director if it complies with the requirements of this part. An organization using bingo paper sheets, bingo paper sheet packets, or bingo paper packages shall

(a) record the serial number of each bingo paper sheet for case paper and the serial number of each bingo paper sheet in a bingo paper packet; or

(b) assign a control number to each case of bingo paper sheets and each bingo paper sheet packet;

(c) if the serial numbers of the bingo paper sheets in a bingo paper sheet packet are not tracked on the distributor's invoice, attach a bingo paper sheet packet from that shipment to the distributor's invoice. The distributor's invoice, with the bingo paper sheet packet attached, shall be retained by the organization according to Minnesota Statutes, section 349.18, subdivision 1a, paragraph (a).

(3) For each case of bingo paper sheets (case paper), the inventory records shall include, at a minimum, the following information.

(a) the serial number of the bingo paper sheets in the case;

(b) the color;

(c) the series;

(d) the number of faces per sheet (ON's);

(e) a description of the face patterns;

(f) the organization name and premises permit number;

(g) the distributor's name, invoice number, and date of invoice;

(h) the distributor's invoiced bingo paper price, and number of bingo paper sheets being invoiced;

(i) the retail selling price for each bingo paper sheet, and

(j) perpetual inventory information for each case of bingo paper sheets (case paper).

(4) For each set of bingo paper sheet packets, the inventory records shall include, at a minimum, the following information:

(a) the serial number of each bingo sheet in the bingo paper packet, or the serial number from the top sheet in each bingo paper sheet packet if the distributor's invoice indicates that only the serial number from the top sheet is provided, and the control number the organization may have assigned to the bingo paper sheet packet;

(b) the organization's name and premises permit number;

- (c) the distributor's name, invoice number, and date of invoice;
- (d) the distributor's invoiced bingo paper price, and number of bingo paper sheet packets being invoiced;
- (e) the number of sheets per packet (UP's);
- (f) the number of faces per sheet (ON's);
- (g) the color of each sheet in the packet, in the order of collation;
- (h) the retail selling price for each bingo paper sheet packet; and
- (i) perpetual inventory information for each set of bingo paper sheet packets.

(5) For each bingo paper package, if the organization uses bingo paper packages, a control number shall be assigned and all components of the bingo paper package shall be accounted for. The inventory records for bingo paper packages shall include, at a minimum, the following information:

- (a) the serial number of each bingo paper sheet in the bingo paper sheet packet used to build the bingo paper package, or the control number assigned to the bingo paper sheet packet, or the serial number from the top sheet in the bingo paper sheet packet used to build the bingo paper package if the distributor's invoice indicates that only the top serial number is being tracked.
- (b) the color of each component of the bingo paper package;
- (c) the series number of each component of the bingo paper package;
- (d) the number of faces per sheet (ON's) for each component of the bingo paper package;
- (e) the number of sheets per packet (UP's) for each component of the bingo paper package;
- (f) the distributor's invoiced cost for each component of the bingo paper package;
- (g) the organization's retail selling price for the bingo paper package;
- (h) the organization's name and premises permit number;
- (i) the control number assigned to the bingo paper package; and
- (j) perpetual inventory information for each type of bingo paper package.

(6) For bingo paper sheets, bingo paper sheet packets, and bingo paper packages, a monthly physical inventory control summary including, at a minimum, the following information.

- (a) quantity, by type, of bingo paper sheets, bingo paper sheet packets, and bingo paper packages;
- (b) control numbers, if assigned, or the serial number from the top sheet in every case of bingo paper sheets;
- (c) the control number, if assigned, or the serial number of each bingo paper sheet in each bingo paper packet, or the serial number from the top sheet in each bingo paper package;
- (d) distributor invoiced cost for bingo paper sheets and bingo paper sheet packets; and
- (e) organization name and premises permit number.

I. Effective December 1, 1996, the following information shall be recorded for each bingo occasion conducted by an organization.

- (1) For organizations using bingo hard cards:
 - (a) a copy of the caller verification form shall be attached to the bingo occasion record;
 - (b) a copy of the occasion's bingo program shall be attached to the bingo occasion record;
 - (c) the total number of players in attendance;
 - (d) the total number of bingo hard cards available in the organization's inventory;

(e) the total number of bingo hard cards sold for the occasion and the selling price of each card;

(f) the total amount of cash collected for all sales of bingo hard cards at the occasion;

(g) the cash value, or fair market value of noncash prizes awarded for each bingo game, and the face number and series number of each winning bingo hard card;

(h) for any bingo game with a prize valued at \$100 or more that is awarded to one individual, a prize receipt as provided in subpart 6a, item L;

(i) cash on hand at the beginning of the occasion, and cash on hand at the end of the occasion;

(j) all coupons redeemed at the occasion;

(k) signature of the checker for the occasion; and

(l) the name of each volunteer or employee working at the occasion.

(2) For organizations using bingo paper sheets, bingo paper sheet packets, or bingo paper packages, the following information shall be recorded in a format prescribed by the board for each bingo occasion conducted by an organization. A computer-generated form may be used with the approval of the board director if it complies with the requirements of this part:

(a) the total amount, by control number, of bingo paper packages available for sale at the occasion and the total amount, by control number, of bingo paper packages which are returned to inventory at the end of the occasion. A separate form must be completed by each seller working at the bingo occasion;

(b) the total amount, by control number or serial number, of bingo paper sheets and/or bingo paper sheet packets available for sale at the bingo occasion and the total amount, by control number or serial number, of bingo paper sheets and/or bingo paper sheet packets which are returned to inventory at the end of the occasion. A separate form must be completed by each seller working at the bingo occasion;

(c) a summary of total admission sales for the occasion, including total cash on hand at the beginning of the occasion, total cash receipts from admission sales, the quantity by dollar value of all coupons redeemed at the occasion, and the net admission sales for each occasion;

(d) for each bingo game conducted, the number of bingo paper sheets and the selling price of each bingo paper sheet, sold by each floor seller;

(e) the total value of prizes awarded for each game, including the cash value and fair market value for noncash prizes, and the serial number and face number of each winning bingo paper sheet face;

(f) a copy of the caller verification form;

(g) a copy of the occasion's bingo program shall be attached to the bingo occasion record;

(h) a bingo occasion summary, including the total number of players in attendance, total gross and net sales, total value of coupons redeemed, and total value including cash value and fair market value for noncash prizes awarded at the occasion;

(i) for any bingo game with a cash or merchandise prize valued at \$100 or more, a prize receipt as required in subpart 6a, item L; and

(j) for any bingo game where the value of the prize is determined by the selling price of the packet of bingo paper sheets or bingo paper package, a prize receipt as required in subpart 6a, item L.

J. A gross receipt and discrepancy report must be prepared for each bingo occasion conducted by an organization. The report shall be prepared on a form prescribed by the board, in accordance with the following procedures:

(1) For organizations using bingo hard cards, the gross receipts of each bingo occasion shall be compared to the checker's records by an employee or volunteer of the organization and verified by the organization's gambling manager. If a discrepancy of more than \$20 is found between the gross receipts as reported by the checkers and the gross receipts, reduced by the value of coupons redeemed, if any, determined by totaling the cash receipts, a

discrepancy report shall be provided to the board, on a form prescribed by the board, within five days of the bingo occasion.

(2) For organizations using bingo paper sheets, bingo paper sheet packets, or bingo paper packages, the gross receipts of each bingo occasion shall be reconciled to the occasion records by an employee or volunteer of the organization, and verified by the organization's gambling manager. If a discrepancy of more than \$20 is found between the gross receipts as verified, reduced by the value of coupons redeemed, if any, and the gross receipts determined by totaling the cash receipts, a discrepancy report shall be provided to the board, on a form prescribed by the board, within five days of the bingo occasion.

Subp. 8 Breakopen bingo. In addition to complying with subparts 1 to 7, breakopen bingo is a bingo game that must also comply with the following:

A. A sealed bingo paper sheet is lawful gambling equipment in which the bingo face or faces are concealed by being sealed in a manner that prevents revealing any part of the bingo face. Breakopen bingo paper sheets must be constructed so that all 24 numbers on each face cannot be determined from the outside of a breakopen bingo paper sheet using a high intensity lamp of up to and including 500 watts

B Only individually sealed bingo paper sheets may be sold for a breakopen bingo game.

C. A breakopen bingo game begins when, in the presence of players attending the bingo occasion, the conducting organization calls and posts, either manually or by use of a flashboard, a predetermined quantity of randomly selected bingo balls from a bingo ball selection device or a separate bingo ball container. The organization shall use a separate set of bingo balls and either a separate bingo ball selection device, separate tray within a bingo ball selection device, or a separate bingo ball container for a breakopen bingo game. If an organization uses a separate tray within a bingo ball selection device or a separate bingo ball container, the bingo balls must be in view of the players at all times during the conduct of the breakopen bingo game.

D. Sealed bingo paper sheets for a breakopen game may be sold throughout the bingo occasion, however no additional sealed bingo paper sheets may be sold after the conducting organization resumes calling letters and numbers after the predetermined quantity has been called and posted.

E. After the predetermined quantity of randomly selected bingo balls has been called and posted, and immediately prior to the selection of the next bingo ball from the bingo ball selection device, a conducting organization shall ask if any player has completed the required bingo pattern. All players who complete the game pattern within the predetermined number of balls called are considered winners, regardless of the last ball called. If a player or players declare bingo based on the predetermined quantity of balls selected and the bingo is verified, the player or players must be awarded the designated prize and the game ends. If no bingo is declared and verified, the organization shall resume calling letters and numbers, and continue calling until one or more players declare bingo and the bingo is verified and the designated prize or consolation prize is awarded.

F A breakopen bingo game shall be played in its entirety within the bingo occasion except for progressive breakopen bingo games played in accordance with subpart 5a, item E.

G. A conducting organization must mark each breakopen bingo sheet to be used during the bingo occasion by validating the sheet with a unique symbol or the date of the occasion by using a device, rubber stamp, or other marking method. The symbol must be placed on the breakopen bingo paper sheet in such a manner that the symbol appears on the part of the breakopen bingo paper sheet that is in play. If the organization uses a unique symbol, the organization must maintain a record that identifies a unique symbol with the particular date and bingo occasion for which the symbol was used.

H A conducting organization may allow players to trade in breakopen bingo paper sheets. The conducting organization must account for the trade-in of breakopen bingo paper sheets in the following manner:

(1) The conducting organization shall maintain two sets of breakopen bingo paper sheets for each breakopen bingo game conducted. One set, known as the "original set," shall be a different color than the second set, known as the "trade-in set."

(2) All breakopen bingo paper sheets in the original set are of equal value and must be sold to players for the same price as other breakopen bingo paper sheets in the original set. All breakopen bingo paper sheets in the trade-in set are of equal value and must be sold to players for the same price as other breakopen bingo paper sheets in the trade-in set.

(3) After purchasing a breakopen bingo paper sheet from the original set, players may continue to purchase breakopen bingo paper sheets from the original set. Players may trade in breakopen bingo paper sheets from the original set for breakopen bingo paper sheets from the trade-in set. Players may also trade in breakopen bingo paper sheets from the trade-in set for more trade-in breakopen bingo paper sheets.

(4) An organization shall post a notice in its house rules stating that identical breakopen bingo paper sheet faces may occur during the breakopen bingo game.

(5) An organization shall announce at the start of the breakopen bingo game and state in its house rules the color of all original breakopen bingo paper sheets. The organization shall also announce and state in its house rules the price at which the original and trade-in, if any, breakopen bingo paper sheets must be sold

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