

7861.0210 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of chapters 7861, 7863, 7864, and 7865, the terms in this chapter have the meanings given them in this part or Minnesota Statutes, sections 349.11 to 349.23.

Subp. 2. **Agent of the organization.** "Agent of the organization" means a person who, by mutual consent of both parties, acts on behalf of the organization.

Subp. 2a. **Application software.** "Application software" means those computer programs that direct an electronic game system to perform those specific information-processing activities that permit the operation of electronic pull-tab games or electronic linked bingo games, permit the collection and recording of game information, and permit the reporting of that information to the Gambling Control Board and the Department of Revenue. The application software overlays the operating system software and is unable to function without the operating system software.

Subp. 3. **Bingo numbers.** "Bingo numbers" means the letter and number that correspond with one of the following letter and number combinations:

- A. bingo numbers with the letter "B" may only contain numbers 1 through 15;
 - B. bingo numbers with the letter "I" may only contain numbers 16 through 30;
 - C. bingo numbers with the letter "N" may only contain numbers 31 through 45;
 - D. bingo numbers with the letter "G" may only contain numbers 46 through 60;
- and
- E. bingo numbers with the letter "O" may only contain numbers 61 through 75.

Subp. 4. **Bingo paper package.** "Bingo paper package" means a bingo paper sheet packet to which an organization has added individual bingo paper sheets, or means bingo paper sheets that an organization will sell as a single unit.

Subp. 5. **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 sealed bingo paper sheet and a linked bingo paper sheet are considered a bingo paper sheet. The following also apply to bingo paper sheets.

A. "Face number" refers to the number appearing on each bingo paper sheet face in a series that allows for the verification of a winning bingo paper sheet face against a master record containing all of the faces in the series.

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

C. "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. 6. **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 must not be sold as individual bingo paper sheets. When used in reference to a bingo paper sheet packet, the term "UP's" means the number of bingo paper sheets contained in a bingo paper sheet packet. For example, the term "twelve up" means that the bingo paper sheet packet contains 12 bingo paper sheets.

Subp. 7. **Bingo pattern.** "Bingo pattern" means a predetermined and preannounced arrangement of spaces or numbers to be covered on a bingo hard card, bingo paper sheet face, or facsimile of a bingo paper sheet by a player to win a bingo game.

Subp. 7a. **Board.** "Board" means the Gambling Control Board.

Subp. 7b. **Bonus play.** "Bonus play" means a feature of an electronic pull-tab game in which certain tickets in the pull-tab deal give players the opportunity to make additional selections to reveal or determine the value of the prize won for the initially opened electronic pull-tab ticket.

Subp. 8. **Breakopen bingo game.** "Breakopen bingo game" means a bingo game in which the organization randomly selects a predetermined quantity of bingo numbers and posts the selected bingo numbers. A breakopen bingo game must be conducted using sealed bingo paper sheets or bingo faces that are electronically generated only after the face has been purchased by the player.

Subp. 9. **Case paper.** "Case paper" means uncollated bingo paper sheets sold 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. 9a. **Central server.** "Central server" means the manufacturer's computer equipment that houses the operating system, supporting hardware, electronic gaming application software, communications network system, and databases required for electronic game operations, and stores and manages electronic gaming data between individual electronic gaming points of sale. Central servers must be located in Minnesota.

Subp. 10. [Repealed, 35 SR 1276; 35 SR 1528]

Subp. 11. **Civic celebration.** "Civic celebration" means an event conducted in Minnesota that is sponsored by a local unit of government having jurisdiction over the event.

Subp. 11a. **Communications network.** "Communications network" means an Internet-based communications system used for the data transfer of all transactions

associated with the conduct of electronic games. For lawful gambling purposes, communications network includes data transmission service and equipment required to provide the Internet signal at the lawful gambling premises up to the first piece of equipment required at the point of sale system maintained by the licensed organization as part of an approved electronic gaming system.

Subp. 12. **Compensation.** "Compensation" means wages, salaries, and all other forms of payment for services provided by a person.

Subp. 13. **Continuation bingo game.** "Continuation bingo game" means a bingo game where up to three games may be played concurrently on one bingo paper sheet face, bingo hard card, or facsimile of a bingo paper sheet; all completed winning patterns are verified independently; and no restrictions are placed on the order of completing the required patterns. Each portion of the continuation game is considered a complete game, even though the numbers selected for the previous game or games are not made available again for selection until all of the games have been completed.

Subp. 14. **Control number.** "Control number" means a unique alphanumeric or numeral code assigned by the organization to identify a bingo paper sheet, bingo paper sheet packet, or bingo paper package. The control number of the bingo paper sheet may be the serial number printed on the bingo paper by the manufacturer.

Subp. 15. **Cumulative pull-tab or tipboard game.** "Cumulative pull-tab or tipboard game" means a pull-tab or tipboard game that is played with two or more deals containing the same form number but unique serial number for each deal, has a portion of each deal's predetermined prize payout designated to a cumulative prize pool, and is packaged by the manufacturer as a cumulative game.

Subp. 15a. **Electronic gambling equipment.** "Electronic gambling equipment" means:

- A. electronic pull-tab devices;
- B. electronic bingo devices;
- C. programmable electronic devices;
- D. electronic pull-tab systems;
- E. electronic linked bingo game systems;
- F. electronic paddlewheels;
- G. upgrades or changes to previously approved and tested equipment;
- H. other technical hardware devices used in conjunction with lawful gambling equipment; and

I. software applications and version upgrades used in conjunction with lawful gambling equipment.

Subp. 15b. **Electronic game occasion.** "Electronic game occasion" means a consecutive period of time during which credits are sold for the purchase of electronic pull-tabs or electronic linked bingo or credits from the play of electronic pull-tabs or electronic linked bingo are redeemed.

Subp. 15c. **Electronic game system.** "Electronic game system" means all components in electronic, computer, mechanical, or other technologic form that function together to support the play of one or more electronic pull-tab games and electronic linked bingo games, including all functions required by the standards in parts 7863.0270, 7864.0230, and 7864.0235.

Subp. 16. **Event game.** "Event game" means a single pull-tab game in which certain prizes are determined by the selection of a bingo number, the opening or uncovering of a seal or seals, the spin of a paddlewheel, or by another alternative method approved by the board.

Subp. 17. **Facsimile of a bingo paper sheet.** "Facsimile of a bingo paper sheet" means an electronic representation of a bingo paper face with its face number displayed in an electronic bingo device used by a bingo player. The following also apply to a facsimile of a bingo paper sheet.

A. "Face number" refers to the number appearing on each facsimile of a bingo paper sheet in a series that allows for the verification of a winning facsimile of a bingo face against a master record containing all of the faces in the series.

B. "Series" means a specific group of faces that has been assigned consecutive face numbers by a manufacturer. Series are typically identified by the first and last face number in the group of faces.

Subp. 17a. **Facsimile of a pull-tab ticket.** "Facsimile of a pull-tab ticket" means an electronic representation resembling a pull-tab ticket where symbols are revealed to the player in an automated format and the winning symbols are arranged in a straight-line method.

Subp. 18. **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. Fair market value for purposes of merchandise prizes must be related to the manufacturer's suggested retail price, list price, advertised price, or actual cost. The price or cost is determined when the merchandise prize is acquired by the organization.

Subp. 19. **Family.** "Family" means a group of pull-tab or tipboard games with the same name.

Subp. 20. **Family member.** "Family member" means a pull-tab or tipboard game with the same name as another family member but with a different form number.

Subp. 21. **Flashboard.** "Flashboard" means an electronic device that displays the numbers and letters of called bingo numbers.

Subp. 22. **Form number or part number.** "Form number" or "part number" means an alphanumeric code assigned by the manufacturer to uniquely identify a game as required by the commissioner of revenue.

Subp. 23. [Repealed, 35 SR 1276; 35 SR 1528]

Subp. 24. **Fund-raising costs.** "Fund-raising costs" means the total general fund expenses incurred in soliciting gifts, grants, and other contributions and includes but is not limited to expenses for:

- A. publicizing and conducting fund-raising campaigns or special events;
- B. soliciting contributions from foundations or other organizations or government grants;
- C. preparing and distributing fund-raising manuals, instructions, and other related materials;
- D. conducting special events that generate contributions;
- E. allocating a portion, if any, of expenses and salaries for the organization's chief officer and that officer's staff that pertain to fund-raising activities; and
- F. conducting fund-raising meetings.

For purposes of this definition, fund-raising costs does not include lawful gambling allowable expenses.

Subp. 25. **Gambling bank account.** "Gambling bank account" means all the accounts maintained by an organization at any banks, savings and loan institutions, 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. 26. **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. 27. **Immediate family.** "Immediate family" means spouse, children, parents, and siblings.

Subp. 28. **Jar ticket.** "Jar ticket" means a single pull-tab ticket that is folded and banded or is a grouping of folded and banded tickets.

Subp. 29. **Lawful gambling.**

A. "Lawful gambling" is the operation, conduct, or sale of bingo, raffles, paddlewheels, tipboards, and pull-tabs.

B. Lawful gambling does not include:

(1) the conduct of a combination of any lawful gambling activity identified in item A 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;

(2) betting related to the outcome of an athletic or sporting event, except as otherwise permitted by law or rule; and

(3) the use of promotional tickets as defined in subpart 43 and Minnesota Statutes, section 349.12, subdivisions 18 and 31.

Subp. 30. **Leased premises.** "Leased premises" means a building or place of business, or a portion of it, that is not owned by a licensed organization and is leased by the organization only for the conduct of lawful gambling.

Subp. 31. **Leased bingo premises.** If bingo and other forms of lawful gambling are conducted during a bingo occasion on a leased premises and the rent amount is based on the square footage of the leased premises, the "leased bingo premises" includes:

A. sale areas;

B. lawful gambling receipts accounting areas;

C. participant playing areas;

D. prize display areas;

E. areas to draw, display, and post bingo numbers;

F. restrooms;

G. the organization's gambling equipment storage areas; and

H. entrance foyers used exclusively by bingo players or the organization's gambling employees.

Other areas not used exclusively by bingo players or the organization's gambling employees are not included in leased bingo premises. Measurements of leased areas are taken from internal wall to internal wall.

Subp. 32. **Limiting bingo number count.** "Limiting bingo number count" means a bingo game in which a bingo player must complete an announced bingo pattern within a predetermined quantity of called bingo numbers. All limiting bingo number counts must be prominently displayed before the start of the bingo occasion. If not completed within the

count, the game continues until a consolation winner is determined and a consolation prize awarded.

Subp. 33. **Linked bingo equipment.** "Linked bingo equipment" means the equipment used in the conduct of a linked bingo game, including linked bingo paper sheets, electronic bingo devices, and facsimiles of linked bingo paper sheets.

Subp. 33a. **Local server.** "Local server" means a computer server, located at the physical location where lawful gambling activity will occur, that stores the game application software and which stores and communicates all game play information and accounting and inventory data records to a central server, to which a licensed distributor or linked bingo game provider has access.

Subp. 34. **Management and general costs.** "Management and general costs" means the total general fund expenses incurred for the function and management of the organization and includes but is not limited to expenses for:

- A. salaries and expenses of the organization's chief officer and staff, excluding any portion that is allocated to fund-raising or program services;
- B. meetings of directors or similar groups, committees, and staff but does not include expenses for fund-raising or specific program service meetings;
- C. general legal services;
- D. accounting and auditing;
- E. general liability insurance;
- F. office management and personnel;
- G. preparation of annual reports; and
- H. investment expenses.

For purposes of this definition, management and general costs does not include general fund expenses for the direct conduct of fund-raising activities or program services, and does not include lawful gambling allowable expenses.

Subp. 35. **Manufacturer's seal.** "Manufacturer's seal" means the sticker placed by the manufacturer on the outside of the box or container of pull-tabs or tipboards but inside the shrink-wrap, ensuring that the game has not been opened or tampered with before delivery to the organization.

Subp. 36. **Merchandise prize.** "Merchandise prize" means a prize other than cash awarded to a winner or winners of a bingo game, pull-tab game, tipboard game, paddlewheel game conducted without a paddlewheel table, or raffle.

Subp. 37. **Multiple seal game.** "Multiple seal game" means a pull-tab or tipboard game in which select tickets are redeemed by players for a predetermined prize amount under a seal number matching the paper pull-tab ticket presented by the player or seal as determined by the player of an electronic pull-tab game, if applicable.

Subp. 38. **Net receipts.** "Net receipts" are gross receipts less prizes awarded.

Subp. 38a. **Operating system software.** "Operating system software" means nongambling software that communicates with the computer hardware to manage computer hardware resources and allows all applications, including gaming applications, to run.

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 under Minnesota Statutes, section 349.166.

Subp. 40. **Paddlewheel table.** "Paddlewheel table" is a table described in part 7864.0230 and used in the game of paddlewheels under part 7861.0300.

Subp. 40a. **Paddlewheel; mechanical, electronic.**

A. A mechanical paddlewheel is a manually operated vertical wheel that operates only with a free-spinning bearing system and the contact of the pointer with pegs. The vertical wheel is marked off into equally spaced sections, has protruding pegs on its face, and has a pointer positioned above the paddlewheel.

B. An electronic paddlewheel is an electronic representation of a paddlewheel that uses a random number generator to determine winning paddlewheel numbers.

Subp. 40b. **Point of sale.** "Point of sale" is the place where customers purchase chances for participation in a lawful gambling game.

Subp. 40c. **Point of sale system.** "Point of sale system" is a computerized checkout or cash register system that meets the standards in part 7861.0280, subpart 9.

Subp. 41. **Progressive bingo game.** "Progressive bingo game" is a game in which the established prize levels increase from one game or occasion to the next up to a predetermined amount if the required pattern is not completed within the specified number of bingo numbers selected and called during the previous game or occasion.

Subp. 42. **Progressive pull-tab or tipboard game.** "Progressive pull-tab or tipboard game" is a pull-tab or tipboard game that has a portion of its predetermined prize payout designated to one progressive jackpot prize. The jackpot prize increases from one deal to the next until the jackpot prize is won or the predetermined jackpot amount printed on the flare by the manufacturer is reached.

Subp. 43. **Promotional pull-tab or tipboard ticket.** "Promotional pull-tab or tipboard ticket" means a pull-tab or tipboard ticket for which no purchase or consideration is required. The only prizes available to be won are discounts on goods and services available at the site where the game is played. Cash prizes are not permitted with promotional pull-tab or tipboard games.

Subp. 44. **Random number generator.** "Random number generator" means a device that has an automated method of selecting game symbols or producing game outcomes based on a preset number of chances available for random selection.

A. This subpart is only applicable to electronic game systems or devices that utilize a random number generator, which must:

- (1) be statistically independent;
- (2) conform to the desired random distribution;
- (3) pass various recognized statistical tests as identified in item B;
- (4) allow for each possible permutation of game elements that produces winning or losing game outcomes to be available for random selection at the initiation of each play, unless otherwise denoted by the game; and
- (5) not make a variable secondary decision that affects the result shown to the player, such as the random number generator choosing an outcome that the game will be a loser.

B. The random number generator and random selection process must be impervious to electromagnetic interference, electrostatic interference, radio frequency interference, and other influences from outside the system or device that may affect the game outcome. Recognized statistical tests used to determine whether or not the random values produced by the random number generator pass the desired confidence level of 99 percent include:

- (1) chi-square test;
- (2) equi-distribution (frequency) test;
- (3) gap test;
- (4) overlaps test;
- (5) poker test

- (6) coupon collector's test;
- (7) permutation test;
- (8) Kolmogorov-Smirnov test;
- (9) adjacency criterion tests;
- (10) order statistic test;
- (11) run tests (patterns of occurrences should not be recurrent);
- (12) correlation test;
- (13) tests on subsequences;
- (14) Poisson distribution; and
- (15) other recognized statistical tests determining the desired 99 percent confidence level.

C. The random number generator must meet the standards under parts 7863.0270, subpart 1; 7864.0230, subparts 5, 6, 9a, and 10a; and 7864.0235.

Subp. 45. **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. 46. **Seal card.** "Seal card" means a board or placard used in conjunction with a deal of pull-tabs or tipboards and contains a seal or seals that when opened or uncovered reveal predesignated winning numbers, letters, or symbols.

Subp. 47. **Sealed bingo paper sheet.** "Sealed bingo paper sheet" means a manufacturer-sealed bingo paper sheet constructed so that the bingo face is sealed in a manner that prevents revealing any part of the bingo face before the seal is opened by a bingo player. Sealed bingo paper sheet also includes facsimiles used with an electronic bingo device.

Subp. 47a. **Secured data transmission.** "Secured data transmission" means a method of data transmission employing encryption conforming to Advanced Encryption Standard (AES) specifications as defined by the National Institute of Standards and Technology (NIST) to protect the data from unauthorized access or tampering.

Subp. 48. **Shrink-wrap.** "Shrink-wrap" means a clear form-fitting plastic wrapping applied to a box or container of pull-tabs or tipboards by a licensed manufacturer.

Subp. 49. **State registration stamp.** "State registration stamp" means the stamp required by part 7863.0220, subpart 3, and Minnesota Statutes, section 349.162, subdivision 1, and attached to a bingo number selection device, pull-tab dispensing device, paddlewheel, or paddlewheel table.

Subp. 50. **Veterans organization.** "Veterans organization" means any congressionally chartered organization within Minnesota, or any branch, lodge, or chapter of a nonprofit national or state organization within Minnesota, with a membership consisting of persons who were members of the armed services or forces of the United States.

Statutory Authority: *MS s 14.055; 349.12; 349.151; 349.154; 349.155; 349.16; 349.162; 349.163; 349.1635; 349.165; 349.166; 349.167; 349.169; 349.17; 349.1711; 349.1721; 349.173; 349.19; 349.191; 349.211*

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