

7864.0210 MANUFACTURER LICENSES.

Subpart 1. **Manufacturer license required.** A manufacturer of gambling equipment may not sell or furnish gambling equipment for use in Minnesota to any licensed distributor or linked bingo game provider unless the manufacturer has obtained a manufacturer's license or license renewal issued by the board.

Subp. 2. **Manufacturer licensing qualifications.** A manufacturer is not eligible for a manufacturer's license unless they have met the requirements of Minnesota Statutes, sections 349.155, subdivision 3, and 349.163. For purposes of compliance with Minnesota Statutes, section 349.155, subdivision 3, the following definitions apply.

A. "Director" means a member of the manufacturer's board of directors.

B. "Officer" means any person elected, appointed, or designated as an officer by the manufacturer's board of directors.

C. "Other person in a supervisory or management position" means any person employed to direct or control the personnel and activities of a manufacturer's department or division.

Subp. 3. **Manufacturer restrictions.** In addition to the prohibitions in Minnesota Statutes, sections 349.155, subdivision 3, and 349.163, the following restrictions apply when conducting business with distributors or linked bingo game providers authorized to sell lawful gambling equipment in Minnesota. A manufacturer, or any representative, agent, affiliate, or employee of a manufacturer may not:

A. be an officer, director, paid employee, gambling volunteer, or gambling manager of an organization involved in the conduct of lawful gambling;

B. be involved in or influence the purchase of gambling equipment for an organization;

C. be an owner, officer, director, or partner of a wholesale alcoholic beverage distributor;

D. lease or rent storage space in Minnesota from any other licensee or employee of a licensee of the board;

E. provide or permit an affiliate or person acting on behalf of the manufacturer to provide any compensation, gift, gratuity, premium, contribution, or thing of value to a board employee or board members;

F. lease premises to an organization for the conduct of lawful gambling;

G. directly or indirectly give gifts, trips, prizes, loans of money, premiums, or other gratuities to gambling organizations or their employees, other than nominal gifts not exceeding a value of \$25 per organization in a calendar year. "Value" means actual market

value or suggested market value, whichever is less. A manufacturer, or a representative, agent, affiliate, or employee of a manufacturer may not contribute more than \$250 in any calendar year to an organization or participate in a fund-raising event if the contribution or fund-raising event is related to the organization's conduct of lawful gambling; or

H. provide any merchandise prize, as part of the sale of any game, either through a gift or sale, to an organization or employees of an organization conducting lawful gambling.

Subp. 4. **Contents of manufacturer license application.** The manufacturer license application must contain the following information:

A. manufacturer's legal name, any other names used, the legal nature of the business (sole proprietorship, partnership, limited liability company, or corporation), Minnesota tax identification number, and federal employer identification number;

B. business address, telephone number, and mailing address, if different than the business address;

C. address and telephone number of each storage facility in Minnesota;

D. Minnesota tax identification number, if any;

E. names and titles of the owners, officers, directors, persons in a supervisory or management position, sales employees, and persons or entities with a direct or indirect financial interest of five percent or more in the manufacturer;

F. type of gambling equipment to be sold in Minnesota;

G. address and telephone number of each facility where gambling equipment is manufactured;

H. name, address, and telephone number of the manufacturer's registered agent in Minnesota;

I. a list of all other states or jurisdictions where the manufacturer is currently licensed;

J. an acknowledgment regarding licensing qualifications in subpart 2 and restrictions in subpart 3;

K. date and signature, in ink, of the chief executive officer; and

L. additional information that may be required by the board to properly identify the manufacturer and ensure compliance with Minnesota Statutes, sections 349.11 to 349.23.

Subp. 5. **Attachments to manufacturer license application.** The manufacturer must attach the following items to the application.

A. A manufacturer's personnel form, in a format prescribed by the board, must be completed by each:

- (1) owner;
- (2) partner;
- (3) member of the board of directors or board of governors;
- (4) officer, including but not limited to president, vice-president, secretary, treasurer, controller, or general counsel;
- (5) plant manager;
- (6) sales employee who is located in Minnesota, makes sales trips to Minnesota, or contacts distributors or linked bingo game providers in Minnesota for sales of gambling equipment;
- (7) person or entity with a direct or indirect financial interest of five percent or more in the manufacturer; and
- (8) consultant who provides advice for the sale or design of gambling equipment for sale in Minnesota.

B. The manufacturer personnel form must include:

- (1) manufacturer's name and license number, if issued;
- (2) name and address, date of birth, Social Security number, and daytime telephone number of the person;
- (3) person's position with the manufacturer;
- (4) Minnesota tax identification number of businesses the person has owned during the past ten years;
- (5) employment history and places of residence for the last ten years;
- (6) name, address, and license number, exempt permit number, or excluded authorization of any organization conducting lawful gambling in Minnesota of which the person is a member;
- (7) criminal history statement, not including petty misdemeanors;
- (8) an acknowledgment regarding the licensing qualifications in subpart 2 and restrictions in subpart 3;
- (9) date and signature, in ink, of the person; and

(10) additional information that may be required by the board to properly identify the person and ensure compliance with Minnesota Statutes, sections 349.11 to 349.23.

C. The manufacturer must submit a copy of its logos which will be used to identify the manufacturer on all gambling equipment sold in Minnesota.

D. The manufacturer must submit an organizational chart illustrating its management structure.

Subp. 6. **Changes in manufacturer license application information.** If any information submitted in the application changes during the license term, the manufacturer must notify the board within ten days of the change.

Subp. 7. **Issuing or denying a new or renewal manufacturer license.** This subpart applies to a manufacturer license issued or denied by the board.

A. Before issuing or denying a new or renewal manufacturer license, the board must conduct or request the director of alcohol and gambling enforcement to conduct a background investigation that includes a review of the manufacturer's sources of financing, ownership, and organizational structure. Actual costs in addition to the new or renewal application fee must be paid by the manufacturer.

B. The board must issue a new or renewal license to a manufacturer who:

(1) submits the information required in the application and attachments, and for a renewal application submits a complete application at least 75 days before the expiration of the existing license;

(2) pays the fee required by Minnesota Statutes, section 349.163, subdivision 2; and

(3) is eligible to receive a license under item A and subparts 2 and 3.

C. The board must deny the application if a manufacturer:

(1) is ineligible under subparts 2 and 3; and

(2) failed to submit all information required by subparts 4 and 5.

When the board determines that an application must be denied, the board must promptly give a written notice to the manufacturer. The notice must contain the grounds for the action and reasonable notice of the rights of the manufacturer to request an appeal under part 7865.0260, subpart 2 or 4, whichever is applicable.

D. All fees submitted with a new or renewal license application are considered earned and are not refundable.

Subp. 8. **Manufacturer license effective date.** A manufacturer license issued by the board is effective on the first day of the month after board approval or as otherwise determined by the board.

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*

History: *31 SR 1239; 35 SR 1276*

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