

CHAPTER 299L

GAMBLING ENFORCEMENT

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299L.01 DIVISION OF GAMBLING ENFORCEMENT.

Subdivision 1. **Definitions.** (a) For the purposes of this chapter, the terms defined in this subdivision have the meanings given them.

- (b) "Division" means the division of gambling enforcement.
- (c) "Commissioner" means the commissioner of public safety.
- (d) "Director" means the director of gambling enforcement.
- (e) "Manufacturer" means a person who assembles from raw materials or subparts a gambling device for sale or use in Minnesota.
- (f) "Distributor" means a person who sells, offers to sell, or otherwise provides a gambling device to a person in Minnesota.
- (g) "Used gambling device" means a gambling device five or more years old from the date of manufacture.
- (h) "Test" means the process of examining a gambling device to determine its characteristics or compliance with the established requirements of any jurisdiction.
- (i) "Testing facility" means a person in Minnesota who is engaged in the testing of gambling devices for use in any jurisdiction.

[For text of subs 2 to 4, see M.S.1994]

History: 1995 c 261 s 10

299L.03 POWERS OF DIRECTOR.

Subdivision 1. **Inspections; access.** In conducting any inspection authorized under this chapter or chapter 240, 349, or 349A, the employees of the division of gambling enforcement have free and open access to all parts of the regulated business premises, and may conduct the inspection at any reasonable time without notice and without a search warrant. For purposes of this subdivision, "regulated business premises" means premises where:

- (1) lawful gambling is conducted by an organization licensed under chapter 349 or by an organization exempt from licensing under section 349.166;
- (2) gambling equipment is manufactured, sold, distributed, or serviced by a manufacturer or distributor licensed under chapter 349;
- (3) records required to be maintained under chapter 240, 297E, 349, or 349A are prepared or retained;
- (4) lottery tickets are sold by a lottery retailer under chapter 340A;
- (5) races are conducted by a person licensed under chapter 240; or
- (6) gambling devices are manufactured, distributed, or tested, including places of storage under section 299L.07.

[For text of subs 2 to 7, see M.S.1994]

Subd. 8. **Rulemaking.** The commissioner may adopt rules under chapter 14 to carry out the commissioner's duties under this chapter.

[For text of subs 10 to 12, see M.S.1994]

History: 1995 c 233 art 2 s 56; 1995 c 261 s 11

299L.05 GAMBLING VIOLATIONS; RESTRICTIONS ON FURTHER ACTIVITY.

An owner of an establishment is prohibited from having lawful gambling under chapter 349 conducted on the premises, or selling any lottery tickets under chapter 349A, if a person

was convicted of violating section 609.76, subdivision 1, clause (7), or 609.76, subdivision (2), for an activity occurring on the owner's premises.

History: 1995 c 186 s 62; 1995 c 261 s 12

299L.07 GAMBLING DEVICES.

Subdivision 1. **License required.** Except as provided in subdivision 2, a person may not (1) manufacture, sell, offer to sell, lease, rent, or otherwise provide, in whole or in part, a gambling device as defined in sections 349.30, subdivision 2, and 609.75, subdivision 4, or (2) operate a testing facility, without first obtaining a license under this section.

Subd. 2. **Exclusions.** Notwithstanding subdivision 1, a gambling device:

(1) may be sold by a person who is not licensed under this section, if the person (i) is not engaged in the trade or business of selling gambling devices, and (ii) does not sell more than one gambling device in any calendar year;

(2) may be possessed by a person not licensed under this section if the person holds a permit issued under section 299L.08; and

(3) may be possessed by a state agency, with the written authorization of the director, for display or evaluation purposes only and not for the conduct of gambling.

Subd. 2a. **Restrictions.** (a) A manufacturer licensed under this section may sell, offer to sell, lease, or rent, in whole or in part, a gambling device only to a distributor licensed under this section.

(b) A distributor licensed under this section may sell, offer to sell, market, rent, lease, or otherwise provide, in whole or in part, a gambling device only to:

(1) the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal state compact under the Indian Gaming Regulatory Act, Public Law Number 100-497, and future amendments to it;

(2) a person for use in the person's dwelling for display or amusement purposes in a manner that does not afford players an opportunity to obtain anything of value.

Subd. 2b. **Testing facilities.** (a) A person holding a license to operate a testing facility may possess a gambling device only for the purpose of performing tests on the gambling device.

(b) No person may hold a license to operate a testing facility under this section who is licensed as a manufacturer or distributor of gambling devices under this section or as a manufacturer or distributor of gambling equipment under chapter 349.

[For text of subd 3, see M.S.1994]

Subd. 4. **Application.** An application for a license under this section must be on a form prescribed by the commissioner and must, at a minimum, contain:

(1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with a financial interest of five percent or more;

(2) the names and addresses of any holding corporation, subsidiary, or affiliate of the applicant, without regard to whether the holding corporation, subsidiary, or affiliate does business in Minnesota; and

(3) if the applicant does not maintain a Minnesota office, an irrevocable consent statement signed by the applicant, stating that suits and actions relating to the subject matter of the application or acts of omissions arising from it may be commenced against the applicant in a court of competent jurisdiction in this state by service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown on the application.

Subd. 5. **Investigation.** Before a license under this section is granted, the director may conduct a background and financial investigation of the applicant, including the applicant's sources of financing. The director may, or shall when required by law, require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The director may charge an investigation fee to cover the cost of the investigation.

Subd. 6. **License fees.** (a) A license issued under this section is valid for one year.

(b) For a person who distributes 100 or fewer used gambling devices per year, the fee is \$1,500. For a person who distributes more than 100 used gambling devices per year, the fee is \$2,000.

(c) For a person who manufactures or distributes 100 or fewer new, or new and used gambling devices in a year, the fee is \$5,000. For a person who manufactures or distributes more than 100 new, or new and used gambling devices in a year, the fee is \$7,500.

(d) For a testing facility, the fee is \$5,000.

[For text of subs 8 to 11, see M.S.1994]

History: 1995 c 186 s 63; 1995 c 261 s 13-18

299L.08 TEMPORARY POSSESSION; PERMIT.

Subdivision 1. **Permit authorized.** The director may issue a temporary permit for a person to possess a gambling device for the purpose of displaying the gambling device at a trade show, convention, or other event where gambling devices are displayed.

Subd. 2. **Application; fee.** An application for a temporary permit under this section must contain:

(1) the applicant's name, address, and telephone number;

(2) the name, date, and location of the event where the gambling device will be displayed;

(3) the method or methods by which the gambling device will be transported to the event, including the name of all carriers performing the transportation and the date of expected shipment;

(4) the individual or individuals who will be responsible for the gambling device while it is in Minnesota;

(5) the type, make, model, and serial number of the device;

(6) the location where the device will be stored in Minnesota while not at the event location;

(7) the date on which the device will be transported outside Minnesota;

(8) evidence satisfactory to the director that the applicant is registered and in compliance with United States Code, title 15, sections 1171 to 1178; and

(9) other information the director deems necessary.

The fee for a permit under this section is \$100.

Subd. 3. **Terms.** A permit under this section authorizes possession of a gambling device only during the period and for the event named in the permit. The permit authorizes the possession of a gambling device for display, educational, and information purposes only, and does not authorize the conduct of any gambling. The permit may not extend for more than 72 hours beyond the end of the event named in the permit.

Subd. 4. **Inspection.** The director may conduct inspections of events where gambling devices are displayed to ensure compliance with this section and other laws relating to gambling.

History: 1995 c 261 s 19