

7861.0260 CONDUCT OF LAWFUL GAMBLING.

[...]

Subp. 2. Posting of information and house rules. A licensed organization must prominently post the following information at each permitted premises in an area visible to players before they purchase a chance to participate in lawful gambling:

- A. organization name, license number, and premises permit number;
- B. notice of problem gambling information that must at a minimum include the toll-free telephone number established by the commissioner of human services;
- C. statement that illegal gambling is prohibited;
- D. house rules that include at a minimum the policies governing the conduct of lawful gambling at the premises, including any restrictions in addition to those imposed by Minnesota Statutes, section [349.181](#), on who may not participate in the conduct of lawful gambling at the premises. The house rules must be adequately lighted, legible, and at least 11 inches by 17 inches; **and**.
- E. for the conduct of bingo, the information required by this subpart may be contained in the bingo program as an alternative to posting the information; **and**;
- F. in the case of the gambling event awarding a merchandise prize with an option for a winner to choose a cash equivalent, such information must be expressly communicated to any participant prior to the sale of any chance, and meet the prize requirements of Minn. Stat. 349.173 (a).**

[...]

Subp. 4. Prizes awarded; records required.

A. The value of prizes awarded must not exceed the limits in this subpart or Minnesota Statutes, section [349.211](#). "Value" means the following:

- (1) fair market value of merchandise prizes, which must not be an amount less than the organization paid for the prize. Merchandise prizes purchased by the organization at a discount and donated prizes must be valued at their fair market value and included in the determination of compliance with this subpart or Minnesota Statutes, section [349.211](#);
- (2) fair market value of certificates for merchandise or service;
- (3) assessed tax value of real property;
- (4) dollar amount of the cash prize. For raffles, cash includes currency, coins, and negotiable instruments; and
- (5) actual amount paid for a savings bond.

B. The maximum value of a prize for two or more winning pull-tab combinations including the last sale prize on a single pull-tab must not exceed the limits in Minnesota Statutes, section [349.211](#), subdivision 2a.

C. A prize must consist of cash, merchandise, certificates for merchandise, certificates for services, gift certificates, or gift cards with the following exceptions and restrictions:

- (1) prizes must not consist of lawful gambling equipment;

~~(2) cash must not be substituted for merchandise prizes, certificates for services, gift certificates, or gift cards which have been won. This does not apply to multiple bingo winners for a merchandise prize that cannot be divided.~~

~~(3) (2) coupons redeemable for bingo hard cards, bingo paper sheets, bingo paper sheet packets, bingo paper packages, and the use of an electronic bingo device may be awarded for bingo;~~

~~(4) (3) a certificate for merchandise or services must contain:~~

- ~~(a) a complete description, including the value of the merchandise or services to be redeemed by the certificate;~~
- ~~(b) the vendor's name from whom the certificate must be redeemed; and~~
- ~~(c) a statement expressly prohibiting the substitution of cash or another type of merchandise or services for the merchandise or services described on the certificate;~~

~~(5) (4) for a paddlewheel game played with a table, only cash prizes may be awarded and must be awarded and redeemed through the use of chips; and~~

~~(6) (5) for a paddlewheel game played without a table, a cash prize amount may not be a variable multiple of the standard price of a paddlewheel ticket.~~

D. An organization must pay for in full or otherwise become the owner, without lien or interest of others, of merchandise prizes before winners of the prizes are determined, except as allowed by Minnesota Statutes, section [349.211](#), subdivision 4, paragraph (b), or for raffles with gross receipts of \$60 or less.

E. When an organization awards a prize that will require registration or licensure by a government agency as a condition of ownership, the organization must use a certificate for merchandise. The winner will be responsible for securing the required registrations or licenses and will be required to give proof of eligibility to receive the prize. An organization is responsible for ensuring that the prize is received by the winner.

F. Cash prizes must be awarded when they are won. This item does not pertain to a progressive bingo prize, linked bingo jackpots, a progressive pull-tab or tipboard jackpot prize, and raffles.

G. Merchandise prizes must be displayed in full view of the players in the immediate vicinity of the game, ~~and must not be redeemed for cash or converted into cash~~. When the winner of a merchandise prize is determined, the organization must immediately remove the prize from the display and award it to the winner. This requirement does not apply to raffles.

H. All prizes must be awarded consistent with current federal and state laws.

I. All merchandise prizes must be accounted for in a format prescribed by the board that includes at a minimum the following information:

- (1) date the organization acquired the merchandise;
- (2) fair market value of the merchandise;
- (3) complete inventory of prize merchandise; and
- (4) documentation on how the fair market value was determined.

J. For leased permitted premises, an organization may not purchase merchandise prizes from the lessor, except that an organization may purchase from the lessor a certificate for merchandise or gift card to be redeemed for food or beverages at the premises if:

- (1) the certificate or card value has a redeemable monetary cash value;
- (2) the certificate or card does not contain restrictions on its redemption, such as requiring a purchase of food or beverage of equal or greater value or redeemable for a specific item;
- (3) the certificate or card may be redeemed at any time during the regular business hours of the permitted premises; and
- (4) the cost to the organization is 50 percent or less of the redeemable cash value of the certificate or card.