

# RECEIVED

By: OAH on 3/28/19 11:21a

Thank you so much for your time and hearing some of the issues that we are addressing; working to follow the rules and laws of the Gambling Control Board and the many issues that do not and are not followed because of contradiction.

I have been a gambling Manager for 21 years and have seen many changes happening in conducting lawful gaming; the major complaint is that the gambling control board does not govern and follow or uphold the rules and laws that they require us to follow.

Question: The Gambling Control Board gives us rules and laws to follow to conduct lawful gaming; and it is felt by many of us that they are not and cannot hold up through the rules and laws, because of contradictions and standards. Now that we have a Judge to look at how we are to conduct our business it is important to review more that just the electronics; because the whole infrastructure on how our business is being run needs a complete review.

Thank you so much for your time and consideration, I have added some examples of a few issues that we have had without being resolved.

Respectfully yours;

NancyLee Loftsgard  
Gambling Manager  
Humane Society of the Lakes  
License #31973

Example 1: Rule that the organization must follow the articles of incorporation and bylaw for their mission statement. I was gambling manager for an organization and a new board was put into place; (as you will see the organization is to have 13 to 15 members depending now on how long they have had their license) (conflict in rules and laws). I contacted the gambling control board that the organization was not following through on the membership, the bylaws and articles of incorporation with the money that gaming was donating, and the donations were not being used for their mission. There response was they did not want to become involved. (I have documentation of all accusations).

Example 2: The rules on who can and cannot play; who is going to enforce this rule! Not letting the owners of the sites or any of their family conduct lawful gaming. That the gambling manager and their family can play when they are directly involved, this does not make any sense.

We understand that anyone who is directly involved in the play of any lawful gaming activity can not play and we can enforce that, but to put in a rule that cannot and is not enforced should also be reviewed.

**THE JACOBSON LAW GROUP**  
**JACOBSON · MAGNUSON · ANDERSON**  
**& HALLORAN P.C.**

**Mary B. Magnuson | Shareholder**  
Attorney at Law  
Phone: 651-644-4710  
mmagnuson@thejacobsonlawgroup.com

March 22, 2019

The Honorable James LaFave  
Administrative Law Judge  
Office of Administrative Hearings  
600 North Robert Street  
P.O. Box 64620  
Saint Paul, Minnesota 55164-0620

RCVD OAH '19 MAR 25

RE: In the Matter of the Proposed Rules of the Gambling Control Board; OAH Docket No. 60-9017-35616

Dear Judge LaFave:

I am submitting the following comments on behalf of the National Association of Fundraising Ticket Manufacturers (NAFTM), a trade association comprised of manufacturers of charitable gaming supplies. All of the NAFTM members are licensed and actively doing business in the State of Minnesota, and all will be adversely affected by the proposed rule.

Our principal objection is with the language of proposed rule 7864.0230, subp.1, item D, which addresses the approval of pull tab and tipboard games.<sup>1</sup>

By way of background, no paper or electronic pull tab or tipboard game may be sold in the State unless the game has been approved by Gambling Control Board ("Board").<sup>2</sup> Manufacturers are required to submit to the Board artist renderings of the various components of a game, as well as a complete sample game. Manufacturers submit multiple games to the Board each month and a fee is charged for each submission. Each game is reviewed by the staff and a recommendation is made to the Board. Once a game is approved, it is available for sale in the State and a record of the approval is placed on the Board's "approved game" database. At the present time, and for at least the past 25 years, once a game is approved, the approval does not expire.

The language proposed in 7864.0230, subp 1, item D, limits the life-span of an approved game to 36 months from the date it was last shipped to a distributor in the State. The proposed rule classifies games falling into this category as "abandoned" by the manufacturer without regard to whether the manufacturer intends to continue to market the game in the state or not. While cloaked as a voluntary abandonment of a game, the rule actually provides the Board with the unilateral authority to revoke the approval of any game not sold in the State in 36 months.

<sup>1</sup> Similar language is contained in 7864.0235, subp. 38, item I pertaining exclusively to electronic pull tabs. We suggest that both provisions be modified for the same reasons.

<sup>2</sup> Minn. Stat. 349.163.

It is clear the proposed rule exceeds the Board's statutory authority. In adopting a rule, the Board's authority is limited. A proposed rule must not violate constitutional provisions, exceed the statutory authority of the agency, or fail to comply with statutory rulemaking procedures.<sup>3</sup> Minn. Stat. 349.163 requires:

(a)...each licensed manufacturer to submit to the board one or more samples of each item of gambling equipment manufactured for use or resale in this state. For purposes of this subdivision, a manufacturer is also required to submit the applicable version of any software necessary to operate electronic devices and related systems.

(b) The board shall inspect and test all the equipment, including software and software upgrades, it deems necessary to determine the equipment's compliance with law and board rules. Samples required under this subdivision must be approved by the board before the equipment being sampled is shipped into or sold for use or resale in this state.

The Board has the authority to approve samples of submitted gambling equipment and by reasonable implication, the authority to not approve samples of gambling equipment that are not in "compliance with law and board rules." The Board may require the samples of gambling equipment to be tested by an independent laboratory and it may request the assistance of the lottery in performing tests. But nothing in the statute gives the board the authority to revoke, limit, or cancel the approval of a pull tab or tipboard game which is otherwise in compliance with law and board rule, which is exactly what the proposed rule will do.

We understand that the intent of the proposed rule is to eliminate from the Board's approved game database those games that are no longer offered for sale by manufacturers in Minnesota. We understand the Board's desire to reduce the size of the database, but we submit there are other options for achieving this goal that are less burdensome on the manufacturers. Throughout the rulemaking process, we have engaged in multiple conversations with the Board staff relative to this proposed rule. We believe we have reached agreement on substitute language that allows the Board to achieve its goal of reducing the database. Therefore, we ask that the following language be substituted for the current language contained in the proposed rule. The substitute language, while different than that initially proposed, does not constitute a substantial change.

**7864. 0230, subp. 1 D. Not later than December 31<sup>st</sup> of each calendar year in a format approved by the Board, a manufacturer must submit to the board a list of all approved games that it intends to sell in Minnesota. Any board approved game not included on the manufacturer's list, or any board approved game which the manufacturer has not shipped into Minnesota for the previous two calendar years, will be considered abandoned by the manufacturer and will be removed from the board's approved game database. No voluntarily abandoned game may be**

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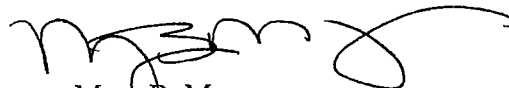
<sup>3</sup> Minn. Stat. 14.45 (2017). See also, Minn. Stat. 14.05, subdivision 1 which provides that an "agency shall adopt, amend, suspend or repeal its rules in accordance with the procedures specified in sections 14.001 to 14.69, and only pursuant to authority delegated by law and in full compliance with its duties and obligations." See also, *In re Haslund*, 781 N.W.2d 349, 354 (Minn. 2010) ("We reverse an agency's decision when an appellant's substantial rights may have been prejudiced because the agency's decision exceeds the agency's statutory authority").

shipped by a manufacturer into Minnesota unless the game is reapproved by the director.  
Abandoned games shipped by the manufacturer to Minnesota on or before December 31<sup>st</sup> may  
continue to be sold in the state by distributors and organizations.

The substitute language continues the concept of game abandonment, but it does so in a manner that provides a manufacturer with more control over the games it chooses to abandon. The substitute language is also more administratively manageable as it limits the abandonment period to three year increments, all ending on December 31 of each year. We encourage the Board to accept the substitute language.

Thank you for your consideration of these comments.

Very truly yours,



Mary B. Magnuson



**PRAIRIE ISLAND INDIAN COMMUNITY  
LEGAL DEPARTMENT**

March 8, 2019

VIA EMAIL AND U.S. MAIL

James E. LaFave, Administrative Law Judge  
Office of Administrative Hearings  
P.O. Box 64620  
St. Paul, MN 55164-0620

OAH MAR14 '19 AM 8:43

***Re: Written Comments Related to Proposed Amendments to Rules Governing  
Lawful Gambling***

On behalf of the Prairie Island Indian Community, I submit the following written commentary regarding the Proposed Amendment to Rules Governing Lawful Gambling, Primarily Lawful Gambling Electronic Games, Sports-Themed Tipboards, and Other Changes; Revisor ID # RD4555; OAH docket number 60-9017-35616. The Prairie Island Indian Community is a federally-recognized Indian tribe located in Welch, Minnesota. These comments address the following provisions of the proposed rules: 7861.0235, Subp. 18c; 7864.0235, Subp. 4; 7863.0270, Subp. 18a; 7861.0230, Subp 6; 7861.0270, Subp. 3a; 7861.0210, Subp. 15c; and 7861.0210, Subp. 15h.

**I. General Comments Related to the Drafting Process**

As an initial matter, the Prairie Island Indian Community is concerned with the manner in which the Minnesota Gambling Control Board (the "Board") developed the proposed amendments. Providing Indian tribes with an opportunity to participate in regular and meaningful consultation is an essential component of a productive State-tribal relationship. To be meaningful, tribal consultation must be timely.

In this instance, the Board employed a Public Advisory Committee ("PAC") to draft amendments to the rules. The PAC consisted of licensed lawful gambling organizations, licensed manufacturers, licensed linked bingo game providers, licensed distributors, game testing laboratory personnel, the Department of Revenue, and the Department of Public Safety. Indian tribes provided meaningful input when Minn. Stat. 349 was amended in 2012 to authorize many of the games that are the focus of the proposed rules. Indian tribes remain interested parties in matters pertaining to lawful gambling. Unfortunately, tribes were not provided with the same opportunity to participate in the PAC's efforts to revise the rules related to lawful gambling.

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5636 Sturgeon Lake Road • Welch, MN 55089

(651) 385-2554 • 800-554-5473 • Fax (651) 385-4180 • TTY 800-627-3529 Deaf or Hearing Impaired



Importantly, the Prairie Island Indian Community was not contacted directly or invited to participate in the PAC that drafted the proposed rules. The Board instead chose to rely on the traditional notice and comment provisions of Minnesota law to receive input from Prairie Island Indian Community.

Providing a meaningful and timely opportunity to participate in the rulemaking process would have given us an opportunity to shape the agenda of rulemaking. It would have also allowed us to identify problematic areas of the existing rules and propose reasonable solutions. In this instance, the Board allowed the agenda to be established by parties and interests that it directly regulates under the rules. Given the composition of the PAC, it is unsurprising that the proposed rules weaken or muddle the statutory requirements of Minn. Stat. 349 in order to provide more flexibility to parties regulated by the rules.

**H. 7864.0235, Subp. 18c**

7864.0235, Subp. 18c relates to standards and requirements for electronic pull-tab game systems. The proposed rules authorize the use of animated win determinations and state that such displays may not simulate spinning reels or nonstraight win line graphics. The statutory language included in Minn. Stat. 349.12, Subp. 12b, Subp. 12c, and Minn. Stat. 349.13 does not support the use of animated win determinations.

Minn. Stat. 349.12, Subp. 12b states that electronic pull-tab devices may not include spinning reels or other representations that mimic a video slot machine. Minn. Stat. 349.12, Subp. 12c states that electronic pull-tab games must display facsimiles of pull-tab tickets. Minn. Stat. 349.13 states that electronic gambling devices, including electronic pull-tabs, may not display or simulate any other form of gambling or entertainment.

As currently drafted, the animated win determinations proposed by the Board could display nearly any graphic representation as long as it does not incorporate spinning reels or nonstraight win line graphics. In fact, the Board has already approved games that incorporate animated win determinations that look and function like video slot machines in direct contravention of statutory law. The proposed language would provide after-the-fact justification for these games by reading ambiguity into the law where it does not exist.

7861.0235, subp. 18c should be deleted from the proposed rules because it ignores the requirements of Minn. Stat. 349.12, subp. 12c and Minn. Stat. 349.13. Additionally, the provision attempts to define the "mimic of slot machine" language in the statute to prohibit only nonstraight win line graphics. As an operator of video slot machines since the early nineties, the Prairie Island Indian Community can provide assistance in identifying additional features that could fall under the "mimic a slot machine" language. These features could include, but not be limited to, nonstraight win line graphics, nonstraight pay line graphics, pay tables, bonus games, free play, wild symbols, or symbols or features not typically associated with paper pull-tabs.

**III. 7864.0235, Subp. 4**

7864.0235, Subp. 4 relates to bonus features on electronic pull-tab games. The statutory language included in Minn. Stat. 349.12, Subp. 12b, Subp. 12c, and Minn. Stat. 349.13 does not support the inclusion of bonus features in electronic pull-tab systems.

Minn. Stat. 349.12, Subp. 12b states that electronic pull-tab devices may not include spinning reels or other representations that mimic a video slot machine. Bonus games are important features of slot machines. Minn. Stat. 349.12, Subp. 12c states that electronic pull-tab games must display facsimiles of pull-tab tickets. The graphic representations offered in bonus games do not display facsimiles of pull-tab tickets. Minn. Stat. 349.13 states that electronic gambling devices, including electronic pull-tabs, may not display or simulate any other form of gambling or entertainment. A bonus game feature necessarily includes the display or simulation of another form of entertainment. In fact, the bonus games currently being played in Minnesota include graphic representations of games that are traditionally played on gaming consoles.

Minn. Stat. 349.12, subp. 12b allows amusement game features but states that such features cannot award any prize. Subp. 12b also allows audio or visual enhancements to provide information about the games being played, provided that the component does not display the results of a game. In this instance, the bonus features being played in Minnesota could be considered either amusement game features or visual or audio enhancements. The games still violate the statutory requirements for amusement game features or visual or audio enhancements because they award prizes and/or display the results of the game in question. For this reason, any reference to bonus games as it pertains to electronic gambling devices should be deleted.

**IV. 7863.0270, Subp. 18a; and 7864.0230, Subp. 6**

7863.0270, Subp. 18a relates to standards and requirements for electronic linked bingo game systems. 7861.0230, Subp. 6 relates to manufacturer standards for electronic bingo devices. The proposed rules authorize the use of animated win determinations in electronic bingo games provided that such games do not simulate spinning reels or nonstraight win line graphics. 7861.0230, Subp. 6 deletes the prohibition against mimicking or appearing to be a video game of chance. The statutory language included in Minn. Stat. 349.12, Subp. 12a and Minn. Stat. 349.13 does not support the use of animated win determinations in electronic linked bingo.

Minn. Stat. 349.12, Subp. 12a states that electronic bingo devices may have no additional function as an amusement or gambling device other than as an electronic pull-tab game. Minn. Stat. 349.13 provides that electronic gambling devices, including electronic bingo devices, may not display or simulate any other form of gambling or entertainment.

As currently drafted, the animated win determinations proposed by the Board could display nearly any graphic representation as long as it does not incorporate spinning reels or nonstraight win line graphics. In fact, the Board has already approved games that incorporate animated win determinations that look and function like video slot machines in direct contravention of statutory law. The proposed language would provide after-the-fact justification for these games by reading ambiguity into the law where it does not exist.

Any reference to animated win determinations included in 7863.0270, Subp. 18a and 7861.0230, Subp. 6 should be deleted. The proposed provisions ignore the statutory language of Minn. Stat. 349.12, subp. 12a which prohibits electronic bingo devices from having additional amusement or gambling functions. Likewise, the proposed provisions ignore the statutory language of Minn. Stat. 349.13 which prohibits such devices from displaying or simulating other forms of gambling or entertainment. Finally, 7863.0230, Subp. 6 attempts to replace the "mimic a slot machine" language to prohibit only spinning reels and nonstraight win line graphics. As previously mentioned, "mimic a slot machine" can mean far more than spinning reels and nonstraight win lines.

**V. 7861.0270, Subp. 3a**

7861.0270, Subp. 3a relates to the use of electronic bingo devices. The proposed language states that electronic bingo devices "must not have any other games or interactive entertainment programs stored in or on the device..." The statutory language included in Minn. Stat. 349.12, Subp. 12a and Minn. Stat. 349.13 provide more robust requirements.

Minn. Stat. 349.12, Subp. 12a states that electronic bingo devices can have no additional function as an amusement or gambling device other than an electronic pull-tab game. Minn. Stat. 349.13 states that electronic bingo devices may not display or simulate any other form of gambling or entertainment. These requirements should be explicitly stated in the rule. Furthermore, the proposed language waters down the statutory requirements by prohibiting only "interactive" entertainment programs. The statutory language prohibits all forms of entertainment, whether they are interactive or non-interactive.

**VI. 7861.0210, Subp. 15c**

7861.0210, Subp. 15c includes the regulatory definition for "electronic bingo device". The term "electronic bingo device" is already defined in Minn. Stat. 349.12, Subp. 12a. The proposed rules incorporate different parts of the statutory definition to create separate regulatory definitions for electronic bingo devices based on whether such device is used as a nonlinked bingo card minder and as an electronic bingo game device. The statutory definition does not support distinguishing between the use of electronic bingo devices in this manner. Nor does it support applying only specific parts of the statutory definition to bingo devices that are used in electronic bingo games as the proposed rules seem to do. For these reasons, the proposed rules should be amended to reference the statutory definition of electronic bingo devices and nothing else.



*Prairie Island Indian Community Written Comments*


*March 8, 2019*

*Page 5*

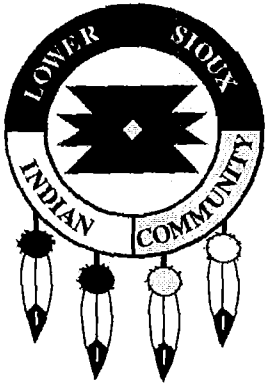
**VI. 7861.0210, Subp. 15h**

7861.0210, Subp. 15h includes the regulatory definition for "electronic linked bingo game". The term is not defined in statutory law. However, there is a statutory definition for the term "linked bingo game" at Minn. Stat. 349.12, Subp. 25a. The regulatory definition for electronic linked-bingo game should reference or incorporate the statutory definition of linked bingo game. Otherwise, different games could be played on the devices which was not contemplated by the Legislature when it authorized electronic linked bingo.

Sincerely,



Jessie Seim  
General Counsel  
Prairie Island Indian Community



# Lower Sioux Indian Community in the State of Minnesota

P.O. Box 308 • 39527 Reservation Highway 1

Morton, MN 56270

*Cansayapi Otumwe*

**RECEIVED**

By: OAH on 3/8/19 @ 8:18 AM

The Honorable James E. LaFave  
Administrative Law Judge  
Office of Administrative Hearings  
P.O. Box 64620  
St. Paul, MN 55164-0620

VIA U.S. MAIL

***Re: Written Comments Related to Proposed Amendments to Rules Governing  
Lawful Gambling***

On behalf of the Lower Sioux Indian Community in the State of Minnesota, I submit the following written commentary pursuant to the Notice of Hearing dated January 22, 2019. The Notice of Hearing relates to Proposed Amendment to Rules Governing Lawful Gambling, Primarily Lawful Gambling Electronic Games, Sports-Themed Tipboards, and Other Changes; Revisor ID # RD4555; OAH docket number 60-9017-35616. The Lower Sioux Indian Community is a federally-recognized Indian tribe located near Morton, Minnesota. These comments address the following provisions of the proposed rules: 7861.0235, Subp. 18c; 7864.0235, Subp. 4; 7863.0270, Subp. 18a; 7861.0230, Subp. 6; 7861.0270, Subp. 3a; 7861.0210, Subp. 15c; and 7861.0210, Subp. 15h.

**I. General Comments Related to the Drafting Process**

As an initial matter, the Lower Sioux Indian Community is concerned with the manner in which the Minnesota Gambling Control Board (the "Board") developed the proposed amendments. Providing Indian tribes with an opportunity to participate in regular and meaningful consultation is an essential component of a productive State-Tribal relationship. To be meaningful, tribal consultation must be timely.

In this instance, the Board employed a Public Advisory Committee ("PAC") to draft amendments to the rules. The PAC consisted of licensed lawful gambling organizations, licensed manufacturers, licensed linked bingo game providers, licensed distributors, game testing laboratory personnel, the Department of Revenue, and the Department of Public Safety. Indian tribes provided meaningful input when Minn. Stat. 349 was amended in 2012 to authorize many of the games that are the focus of the proposed rules. Indian tribes remain interested parties in matters pertaining to lawful gambling. Unfortunately, tribes were not provided with the same opportunity to participate in the PAC's efforts to revise the rules related to lawful gambling.

More importantly, the Lower Sioux Indian Community was not contacted directly or invited to participate in the PAC that drafted the proposed rules. The Board instead chose to rely on the traditional notice and comment provisions of Minnesota law to receive input from the Lower Sioux Indian Community.

Providing a meaningful and timely opportunity to participate in the rulemaking process would have allowed us to identify problematic areas of the existing rules and propose reasonable solutions. In this instance, the Board allowed the agenda to be established by parties and interests that it directly regulates under the rules. Given the composition of the PAC, it is not surprising that the proposed rules weaken or muddles the statutory requirements of Minn. Stat. 349 in order to provide more flexibility to parties regulated by the rules.

## **II. 7864.0235, Subp. 18c**

7864.0235, Subp. 18c relates to standards and requirements for electronic pull-tab game systems. The proposed rules authorize the use of animated win determinations and state that such displays may not simulate spinning reels or nonstraight win line graphics. The statutory language included in Minn. Stat. 349.12, Subp. 12b, Subp. 12c, and Minn. Stat. 349.13 does not support the use of animated win determinations.

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As currently drafted, the animated win determinations proposed by the Board could display nearly any graphic representation as long as it does not incorporate spinning reels or nonstraight win line graphics. In fact, the Board has already approved games that incorporate animated win determinations that look and function like video slot machines in direct contravention of statutory law. The proposed language would provide after-the-fact justification for these games by reading ambiguity into the law where it does not exist.

7861.0235, subp. 18c should be deleted from the proposed rules because it ignores the requirements of Minn. Stat. 349.12, subp. 12c and Minn. Stat. 349.13. Additionally, the provision attempts to define the "mimic of slot machine" language in the statute to prohibit only nonstraight win line graphics. As an operator of video slot machines for several decades pursuant to a tribal-state gaming compact, the Lower Sioux Indian Community has the knowledge and experience to provide assistance in identifying additional features that could fall under the "mimic a slot machine" language. These features could include, but not be limited to, nonstraight win line graphics, nonstraight pay line graphics, pay tables, bonus games, free play, wild symbols, or symbols or features not typically associated with paper pull-tabs.

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**V. 7861.0270, Subp. 3a**

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**VI. 7861.0210, Subp. 15c**

7861.0210, Subp. 15c includes the regulatory definition for "electronic bingo device". The term "electronic bingo device" is already defined in Minn. Stat. 349.12, Subp. 12a. The proposed rules incorporate different parts of the statutory definition to create separate regulatory definitions for electronic bingo devices based on whether such device is used as a nonlinked bingo card minder and as an electronic bingo game device. The statutory definition does not support distinguishing between the use of electronic bingo devices in this manner. Nor does it support applying only specific parts of the statutory definition to bingo devices that are used in electronic bingo games as the proposed rules seem to do. For these reasons, the proposed rules should be amended to reference the statutory definition of electronic bingo devices and nothing else.

**VI. 7861.0210, Subp. 15h**

*Lower Sioux Indian Community Written Comments*

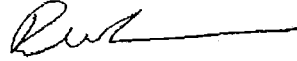
*March 7, 2019*

*Page 5*

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Thank you for consideration of our comments.

Sincerely,



Robert L. Larsen  
Community Council President

**FAX**

**RECEIVED**

By: OAH on 3/28/19 4:26 p.m.

**FROM**

**TO**

Frederick Reis  
Compliant Gaming LLC  
133Fort Wetherill Road  
Jamestown  
Rhode Island 02835

Honorable Ian Lewenstein  
Office of Administrative hearings

**Phone** (401) 423-1895  
**Fax Number** (401) 423-1895

**Phone**  
**Fax Number** +16515390310

**DATE** 03/28/2019

**NOTE**

RE: GCB RD 4555

Frederick Reis, CEO  
Compliant Gaming, LLC  
133 Fort Wetherill Rd  
Jamestown, RI 02835  
fereis@compliantgaming.com

Office of Administrative Hearings  
Honorable Ian Lewenstein  
PO Box 64620  
St. Paul, MN 55164-0626  
Fax: 651-539-0310

March 28, 2019

RE: Gambling Control Board, proposed Rules RD4555

Your Honor,

As provided under the Rule Hearings Procedures, on behalf of my company I would like to make several comments.

Our foundational opinion is that electronic charitable gaming should not be permitted to mimic a video slot machine and that defining the characteristics that are exclusive to a video slot machine, and then prohibiting these characteristics to be used in either Electronic Pull Tabs or Electronic Linked Bingo, is the best way to move forward. Encroachment on video slot machines is at the core of all positions expressed at the March 8<sup>th</sup> hearing.

It's our opinion, that the following characteristics are NOT exclusive to video slot machines:

- Visual and Audio Entertainment
- Animated Win Reveals and Celebrations
- Bonus Features

It's our opinion, that the following characteristics ARE exclusive to video slot machines:

- Zig-zag pay lines
- Scatter symbols
- Top down symbol animations that form a visual column

The specific features can be argued but revising the rules to clearly state that neither Electronic Pull Tabs nor Electronic Linked Bingo are permitted to mimic a video slot machine, and then describing the features that mimic a slot machine should ensure that electronic charitable gaming does not compete with the video slot machines at the Tribal casinos, yet allow for these types of products to continue to be leveraged to raise money for Minnesota's charities, as well as to be a viable business for companies that have already made a significant investment in your state.



## Linked Bingo:

We believe that many of the Electronic Linked Bingo games currently being offered in Minnesota blatantly violate both Statutes and Rules.

The development of these games follows the same path taken by many Tribes under the Indian Gaming Regulatory Act to create a Class II Bingo device which mimicked a Class III slot machine before the State Compacts legalized them.

In brief, these Electronic Linked Bingo games are a mostly veiled Bingo event, electronically played out between two or more players to determine winners where the outcome of the game is revealed in a graphical manner very similar to a video slot machine, or Video Game of Chance. In comparison, a Class III Slot Machine uses a random number generator to determine its winners.

Specifically, to prevent this subversion of legal Bingo, current MN Rule 7864.0230 subp 6.G states that electronic linked bingo devices *"must not mimic or appear to be a video game of chance as defined in Minnesota Statutes, section 609.75, subdivision 8"*.

MN Statute section 609.75 subd 8 defines a video game of chance as *"a game or device that simulates one or more games commonly referred to as poker, blackjack, craps, hi-lo, roulette, or other common gambling forms..."*.

We strongly believe that Electronic Linked Bingo, as regulated by current Minnesota Statute and Rule, should not be permitted to mimic a video slot machine yet there are products that have been approved and are currently in play that have the characteristics of a video slot machine as currently defined by the Gambling Control Board.

Electronic Pull Tab regulations specifically prohibit eTabs from mimicking a slot machine and the Gambling Control Board has long stated that specific characteristics are prohibited for eTabs for this reason. These characteristics include: zig-zag pay lines, scatter symbols, the visual appearance of creating columns.

## MULTI-LINE ELECTRONIC PULL TAB TICKETS:

The Gambling Control Board has recently taken the position that a multi-line Electronic Pull Tab game cannot reveal all symbols on a ticket at the same time, with a single action. This is a reversal of a long-standing view where a single PLAY button has been used to reveal all symbols that make up the outcome of the base game.

The following statute is used as reference:

### **M.S. 349.12 Definitions**

#### **Subd. 12b. Electronic pull-tab device.**

"Electronic pull-tab device" means a handheld and portable electronic device that:

(3) requires that a player must activate or open each electronic pull-tab ticket and each individual line, row, or column of each electronic pull-tab ticket;

To allow for all symbols to be revealed with a single action of touching a PLAY button, the Gambling Control Board has long relied on Statute Subd. 12c, which states that Electronic Pull Tab games are facsimiles of paper pull-tabs. There are numerous multi-line paper pull-tab games which have one window, that when opened with a single action of peeling back the single cover, reveal all symbols simultaneously.

**Subd. 12c Electronic pull-tab game.**

"Electronic pull-tab game" means a pull-tab game containing:

- (1) facsimiles of pull-tab tickets that are played on an electronic pull-tab device

To paraphrase, Statute Subd 12b 3 requires that a player must open each electronic pull-tab ticket and each individual line of each electronic pull-tab ticket.

It does NOT state that a player must open each electronic pull-tab ticket and each line individually.

When pressing the PLAY button on a multi-line game, each individual line is indeed opened. The player is NOT awarded a prize and CANNOT purchase another ticket until each individual line is revealed. The single touch of the PLAY button on a multi-line game, in fact, does open each individual line.

If the statute said that the player must open each line individually, then a simple touch of a single PLAY button on a multi-line game would clearly be prohibited. However, this is not how the statute reads.

We do not see any mandate that requires each line being opened individually.

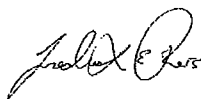
## ENTERTAINMENT AND BONUS FEATURES:

One of the positions set forth during the hearing inferred that electronic games within Charitable Gaming should not have any entertainment value and should be prohibited from including bonus features. Games of any kind, by nature, are a form of entertainment. We strongly believe that the intent of regulations referenced during the hearing is to prohibit electronic gaming devices from providing for any ADDITIONAL form of entertainment – outside of the game being played. Furthermore, games of many kinds, outside of video slot machines, have long included bonus features. Since Electronic Pull Tab games have a pre-determined outcome, the selection of objects within a bonus, or the visual effect of the bonus feature itself, is not relevant to the outcome. To say that “games” cannot be entertaining, or cannot include bonus features, is, in my opinion, a significant overreach.

In summary, applying a strict rule that neither Electronic Pull Tabs nor Electronic Linked Bingo may mimic a video slot machine, then defining the characteristics of a video slot machine, should satisfy all parties in this discussion.

Thank you for the opportunity to comment, please do not hesitate to contact me with any questions.

Sincerely,



Frederick Reis, CEO  
Compliant Gaming, LLC

Digitally signed by Frederick E Reis  
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email=fereis@gmail.com, c=US  
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