

Proposed (2017?)

1.1 A bill for an act

1.2 Relating to lawful gambling; regulating electronic paddlewheels; amending
1.3 Minnesota Statutes 2014, sections 349.12 subdivisions 18, 28a, 28b, 29;
1.4 349.151, subdivision 4a; 349.211, subdivision 2b; 609.76, subdivision 8.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 "Section 1. Minnesota Statutes 2014, section 349.12, subdivision 18, is amended to read:

1.7 Subd. 18. **Gambling equipment.** "Gambling equipment" means gambling
1.8 equipment that is either disposable or permanent gambling equipment.

1.9 (a) Disposable gambling equipment includes the following:

1.10 (1) bingo hard cards or paper sheets, including linked bingo paper sheets;

1.11 (2) paper and electronic pull-tabs;

1.12 (3) jar tickets;

1.13 (4) paddle tickets and paddle ticket cards;

1.14 (5) tipboards and tipboard tickets; and

1.15 (6) promotional tickets that mimic a pull-tab or tipboard.

1.16 (b) Permanent gambling equipment includes the following:

1.17 (1) devices for selecting bingo numbers;

1.18 (2) electronic bingo devices;

1.19 (3) electronic pull-tab devices;

1.20 (4) pull-tab dispensing devices;

1.21 (5) programmable electronic devices that have no effect on the outcome of a game
1.22 and are used to provide a visual or auditory enhancement of a game;

1.23 (6) paddlewheels, whether manually spun or electronic simulated paddlewheel
1.24 systems that control the random generation of winning numbers or symbols and devices
1.25 that accept player bet selections and transmit those selections to a central system that
1.26 determines which bets have won or lost and how much the wins paid; and

1.27 (7) paddlewheel tables that record bets manually or electronically.

1.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.29 Sec. 2. Minnesota Statutes 2014, section 349.12, subdivision 28a, is amended to
read:

1.30 Subd. 28a. **Paddle ticket.** "Paddle ticket" means a ~~preprinted-ticket that can be~~

2.1 preprinted by a licensed manufacturer used to place wagers on the spin of a paddlewheel-
2.2 or a printed paper ticket summarizing a player's wagers registered by a board-approved
2.3 point of sale system that records all wagers made for each spin of a paddlewheel at an
2.4 approved site for use with an electronic simulated paddlewheel. No paddle ticket may
2.5 include wagers for more than ten consecutive spins. For electronic paddlewheel systems
2.6 not using a paddlewheel table, prizes are awarded to those presenting original printed
2.7 tickets with winning selections that match the electronically saved record of the ticket
2.8 presented. When used with an approved electronic paddlewheel table, wherein all wagers
2.9 and resulting payouts are recorded, a paddle ticket may be an electronic virtual image of a
2.10 chip or ticket so long as the value of all chips or tickets in a player's account are of the
2.11 same value recorded prior to any of that player's chips being placed into play.

2.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.13 Sec. 3. Minnesota Statutes 2014, section 349.12, subdivision 28b, is amended to read:

2.14 Subd. 28b. **Paddle ticket card.** "Paddle ticket card" means a card to which
2.15 detachable paddle tickets are attached used in conjunction with a manually spun
2.16 paddlewheel. Paddle tickets used with electronic wheels printed and recorded at the site by
2.17 an approved point of sale system or electronic paddle tickets or chips used with an
2.18 electronic table are not required to be used with or attached to a paddle ticket card.

2.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.20 Sec. 4. Minnesota Statutes 2014, section 349.12, subdivision 29, is amended to read:

2.21 Subd. 29. **Paddlewheel.** "Paddlewheel" means a vertical wheel marked off into
2.22 sections containing one or more numbers or symbols, and which, after being turned or
2.23 spun, uses a pointer or marker to indicate winning chances, and may only be used to
2.24 determine a winning number or numbers, or symbol or symbols, matching a winning
2.25 paddle ticket purchased by a player. A paddlewheel may be an electronic device that
2.26 simulates a paddlewheel; including computers and software that control the random
2.27 outcome graphically displayed on an electronic simulated paddlewheel. No computer
2.28 controlling the random outcome for more than one electronic simulated paddlewheel shall
2.29 activate or enable spins on any electronic simulated paddlewheel of the same graphic style
2.30 within three minutes of a previous spin except when the computer is controlling the
2.31 random outcome of electronic simulated paddlewheels used with an approved electronic
2.32 paddlewheel table. All paddlewheel tables must be operated by a person not playing the
2.33 game. The persons operating the tables shall determine when the table is locked from
2.34 further wagering and when a spin is called. No paddlewheel may be player activated.

3.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.2 Sec. 5. Minnesota Statutes 2014, section 349.151, subdivision 4a, is amended to read:

3.3 Subd. 4a. ~~Paddlewheel rules~~ **Paddlewheel operations and electronic game**
3.4 **simulation.** (a) The board shall promulgate rules governing paddlewheels for operation
3.5 procedures, internal control standards, posted information, records, and reports. The
3.6 board shall also promulgate rules governing electronic simulated paddlewheels, including,
3.7 but not limited to, the manufacture, production, operation procedures, internal control
3.8 standards, posted information, records, and reports. (b) Before authorizing the lease
3.9 or sale of electronic simulated paddlewheels and electronic paddlewheel systems, the
3.10 board may examine electronic simulated paddlewheel and electronic paddlewheel systems,
3.11 including all associated devices. The board may contract for the examination of the
3.12 electronic simulated paddlewheel game systems and devices and may require a working
3.13 model to be transported to locations the board designates for testing, examination, and
3.14 analysis. The manufacturer must pay all costs of any testing, examination, analysis, and
3.15 transportation of the model. The system, and all particular games to be offered by the
3.16 system, must be approved by the board before it is used in the state and must have the
3.17 capability to permit the board to electronically monitor its operation and internal
3.18 accounting systems. (c) The board may require a manufacturer in paragraph (b) to submit
3.19 a certificate from an independent testing laboratory approved by the board to perform
3.20 testing services, stating that the equipment has been tested, analyzed, and meets the
3.21 standards required by applicable board rules. (d) The board, or the director if authorized
3.22 by the board, may require the deactivation of an electronic simulated paddlewheel for
3.23 violation of a law or rule and to implement any other controls deemed necessary to ensure
3.24 and maintain the integrity of electronic simulated paddlewheels, electronic paddlewheel
3.25 systems, and associated devices.

3.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.27 Sec. 6. Minnesota Statutes 2014, section 349.211, subdivision 2b, is amended to read:

3.28 Subd. 2b. **Paddlewheel prizes.** ~~The maximum cash prize which may be awarded for a~~
3.29 ~~paddle ticket is \$70.~~ The maximum cash prize that may be awarded from an individual
3.30 wager on a paddlewheel of \$1 or less is \$500. The maximum cash prize that may be
3.31 awarded from an individual wager of more than \$1 but not exceeding \$2 is \$1,000. An
3.32 organization may not sell any paddle ticket an individual wager on a paddlewheel for more
3.33 than \$2, and no person may wager more than \$40 on any spin of a paddlewheel.

4.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.2 Sec. 7. Minnesota Statutes 2014, section 609.76, subdivision 8, is amended to read:

4.3 Subd. 8. **Value of chips or tokens.** The value of chips or tokens approved for use in
4.4 a game designed to be played with or operated by chips or tokens, as the term "value" is
4.5 used in section 609.52, is the amount or denomination shown on the face of the chip or
4.6 token representing United States currency. Chips used in tournament play at a card club
4.7 at a class A facility have no United States currency value. Virtual chips or virtual tickets and
4.8 chip and ticket images used with an electronic paddlewheel table are not required to
4.9 have the value posted on the virtual chip, virtual ticket or image of the chip or ticket,
4.10 provided that (1) all virtual chips or tickets issued to a player are of the same value
4.11 determined by the player at the time of purchase, and (2) the computer that determines the
4.12 payout calculation of winning bets recognizes the value of each chip or ticket.

4.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

Explanation of Wheel Legislation (2017?)

10-21-16

Section 1:

Subd. 18. Gambling equipment.

By listing equipment in this section the Control Board is given authority to regulate all of the associated devices that would be used with electronic simulated wheels that were approved in the 2012 session.

Line 1.23: (6) Makes the entire simulated wheel related system gambling equipment.

Line 1.27: (7) Clarifies the purpose of paddlewheel tables (recording of wagers) whether they are electronic or manual.

Section 2:

Subd. 28a. Paddle ticket.

Beginning with line 1.30 through 2.12

- This allows for a ticket printed on site that summarizes all of the selections a player has made for each spin so long as all selections are recorded by the POS system. This will save a great deal of expensive paper consumed currently with each and every bet having a separate ticket. It is a one – ticket several bets rather than just one ticket each bet.
- The prize is paid to the holder of the originally printed paper ticket. That ticket must match the electronically stored record of the ticket. This helps assure that there is no player activated electronic terminal play of paddlewheels.
- Limits above tickets to 10 consecutive spins. That is likely a total 40 minute time span meant to reduce the quantity of tickets that walk out the door remaining outstanding.
- For play with electronic paddlewheel tables, the ticket may be a virtual image of a ticket or chip so long as all of the virtual chips in a player's account are of the same value prior to any having been placed in play.

Section 3:

Subd. 28b. Paddle ticket card

Beginning line 2.13

The purpose of a paddle ticket card is to use the serial numbers tied to a specific value in order to figure gross sales amount. When using electronic systems, the gross sale amount is known. Therefore, electronically recorded tickets do not need to be attached to each other for use in serial number order.

Section 4:

Subd. 29. Paddlewheel.

Beginning line 2.20

- Adds the ability to use symbols in addition to or instead of numbers on wheels. Segments of a wheel can be uniquely identified whether they are numbers or symbols. A popular North Dakota paddlewheel is the Pig Wheel. Each pig on the wheel is distinguished by a name. Required standards for distinguishing segments of a wheel can be accomplished in rule and in the process of approving games. Players enjoy yelling for their favorite pig. According to the ND Gaming Division, NDAG, 54 Pig Wheel Tables were in operation at the end of 2015. Given sales so far in 2016, we believe 60 will be operational tables at the end of December. ND has 1/7th the population of MN and has "21" as table game competition. Likely would see significant placement in MN.
- Line 2.26: Again, makes all related equipment and devices gambling equipment subject to regulation.
- Line 2.27 – 2.32: For electronic wheels that do not use a table, the spin events are meant to be slower – a social game where people can pool their wagers, casually monitor while visiting. Thus spins shall be no quicker than once every 3 minutes unless using a table whereby spins vary depending on quantity and mood of players.
- Line 2.32: Explicitly prohibits paddlewheels from being player activated devices. They remain social games conducted in public – not rapid action devices played aggressively by someone on their own.

Section 5:

Subd. 4a. Paddlewheel operations and electronic game simulation.

Beginning Line 3.5:

This is a major clause providing complete regulatory authority to the Control Board, including the authority to require inspection of all paddlewheel system equipment at the expense of the manufacturer. They have the authority to approve all wheel games and to establish controls deemed necessary to maintain the integrity of the games.

Section 6:

Subd. 2b. Paddlewheel Prizes.

- Line 3.29: Provides the \$500 prize limit for an individual wager of \$1 or less and \$1,000 for wagers up to \$2. Given that with electronic wheel games tickets may contain many wagers instead of just one, this changes the reference point to prize limit resulting from individual wager instead of tickets.

- Line 3.33: Reduces the per spin, per person wager from \$50 currently in rule to \$40, a 20% decrease.

Section 7:

Subd. 8. Value of chips or tokens.

Line 4.7: All chips in a players possession used with an electronic paddwheel table are of the same value established when the player acquired them. The electronic table pays out in a multiple of the chips wagered by each player. Thus, the number on the top of a chip need not be stated in value but is more clearly stated instead in quantity. This allows a player to know how many units/chips they have in a stack.