

11.24 AMUSEMENTS LAWFUL GAMBLING

11.24.010 Lawful Gambling

11.24.010 Adoption Of State Law By Reference

11.24.020 City May Be More Restrictive Than State Law

11.24.030 Purpose

11.24.040 Definitions

11.24.050 Applicability

11.24.060 (Reserved)

11.24.070 Lawful Gambling Permitted

11.24.080 Council Approval

11.24.090 Application And Local Approval Of Premises Permits

11.24.100 Local Permits

11.24.110 Revocation And Suspension Of Local Permit

11.24.120 License And Permit Display

11.24.130 Notification Of Material Changes To Application

11.24.140 Local Gambling Tax

11.24.150 (Reserved)

11.24.160 Designated Trade Area

11.24.170 Records And Reporting

11.24.180 Hours Of Operation

11.24.190 Penalty

11.24.010 Lawful Gambling

- ~~1.—*Purpose.* The purpose of this section is to regulate and control the conduct of lawful gambling in the city by providing standards and criteria related to the approval or denial of premises permits as required by M.S. § 349.213, as it may be amended from time to time.~~
- ~~2.—*Definitions.* For the purpose of this section, the terms defined in M.S. § 349.12, as it may be amended from time to time, are incorporated herein and by reference. For the purpose of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning.~~

~~**BOARD.** The State Gambling Control Board.~~

~~**CLASS OF LICENSE.**~~

- ~~1.—A Class A, B, C, or D license issued by the Board as authorized under M.S. § 349.16 as it may be amended from time to time, and further defined as follows:
 - ~~1.—A Class A license authorizes all forms of lawful gambling;~~
 - ~~2.—A Class B license authorizes all forms of lawful gambling except bingo;~~
 - ~~3.—A Class C license authorizes bingo only; and~~
 - ~~4.—A Class D license authorizes raffles only.~~~~
- ~~2.—No premises licensed hereunder shall be issued more than one license in any one class.~~

~~**LAWFUL GAMBLING.** The operation, conduct, or sale of bingo, raffles, paddlewheels, tipboards, and pulltabs as regulated by M.S. Ch. 349, as it may be amended from time to time.~~

~~**ORGANIZATION.** Any fraternal, religious, veterans', or other non-profit group which has at least 15 active dues-paying members, is operating within the city, and either has been duly incorporated in this state as a non-profit organization for the most recent three years, or has been recognized by~~

~~the I.R.S. as exempt from income taxation for the most recent three years, as defined in M.S. § 349.12 as it may be amended from time to time.~~

~~**ORGANIZATIONAL LICENSE.** A license for lawful gambling issued by the Board.~~

~~**PREMISES PERMIT.** A permit issued by the Board to an organization as defined herein, after approval by a City Council resolution. A **PREMISES PERMIT** shall designate the location of an organization's lawful gambling activities.~~

~~**TRADE AREA.** This city and each city contiguous to this city.~~

- ~~3. *Lawful Gambling; Criteria.* Lawful gambling as regulated by M.S. Ch. 349, as it may be amended from time to time, is permitted in the city if the organization conducting these activities meets the following criteria:
 - ~~1. It is licensed by the State Gambling Control Board;~~
 - ~~2. It has maintained an address within the city for at least three years prior to the application, or it owns a commercial building within the city from which it operates;~~
 - ~~3. The organization must strictly adhere to the requirements of this section;~~
 - ~~4. Organizations which lawfully conducted gambling in the city before the effective date of this section are not required to submit applications before the date of their next license or permit renewal; however, all organizations must comply with the terms of this section immediately upon its passage and publication; and~~
 - ~~5. Premises authorized to conduct lawful gambling in the city must have an on-sale or off-sale liquor license or a club license permitting liquor on the premises.~~~~
- ~~4. *Premises Permits And Bingo Hall Licenses; Procedures.*
 - ~~1. An organization applying to the Gambling Control Board for a premises permit, bingo hall license, or for the renewal of the same, to conduct lawful gambling in the city shall, within ten days of making the application, file the following with the city:
 - ~~1. A duplicate copy of the Gambling Control Board application along with all supporting documents submitted to the Gambling Control Board;~~
 - ~~2. A copy of the articles of incorporation and bylaws of the organization;~~
 - ~~3. The names and addresses of all officers and directors of the organization;~~
 - ~~4. A copy of the organization's written procedures and criteria for distribution of funds derived from lawful gambling, its standardized application form, and its written fiscal control procedures;~~
 - ~~5. A copy of the I.R.S.'s tax exempt letter;~~
 - ~~6. Confirmation that no employee or principal officer of the organization has been convicted of a felony. No employee or organization whose principal officers and employees with a felony conviction, shall be employed in a gambling related activity by any permitted organization;~~
 - ~~7. All organizations must show proof that they have a gambling manager trained in accordance with the requirements of M.S. § 349.167, as it may be amended from time to time (Laws, 1990); and~~
 - ~~8. A copy of the gambling organization's lease, which must be for a two-year period, shall be submitted to the city for approval.~~~~
 - ~~2. Upon receipt of the materials required by Paragraph D,1, city staff shall investigate the applicant, and based upon the investigation, the City Council shall act on the application within 30 days.~~
 - ~~3. The action of the City Council to approve an applicant for a premises permit or bingo hall license within the city shall be by resolution. Failure to receive a majority affirmative vote of the City Council shall constitute a denial of the application.~~~~

- ~~4. Copies of the monthly financial statements filed by the organization with the Gambling Control Board, as defined in M.S. § 349.154, as it may be amended from time to time, shall be filed with the city within ten days of filing those materials with the Gambling Control Board.~~
- ~~5. To assure compliance with this section, the city may require a premises permit holder or bingo hall licensee to provide copies of his or her records described in M.S. § 349.19, as it may be amended from time to time.~~
- ~~6. A premises permit issued by the city under this paragraph may be suspended or revoked by the city for violation of this section or for failure to meet the qualifications set out in this section, or for a willful violation of any paragraph of this section, or for a failure to comply, for any reason, with any provision, guarantee, or claim made in an applicant's original license application to the city or the state.~~
- ~~7. No license or permit issued by the city, including any bingo hall license, grants the licensee a property right or entitlement to the license or permit. The city may refuse to issue, renew, or revoke the license or permit for any reason and will not incur liability for any damages including but not limited to direct, consequential, or incidental damages, deprivation of property, loss of income, loss of profits, or loss of livelihood.~~
- ~~8. All Class A and Class B licensees and permittees in the city shall use an approved independent accounting firm for their annual audits related directly to lawful gambling and charges as an allowable expense of the gambling operation. Further, all Class A and Class B licensees and permittees, at their discretion, may use an independent accounting firm to perform other accounting, bookkeeping, and tax preparation services related directly to lawful gambling and charges as an allowable expense of the gambling operation. All agreements providing for this type of services shall be in writing and shall be submitted to the city as part of the application for review by the city to determine compliance with local and state regulations and laws. Any such agreements entered into or modified after issuance of a license or permit shall be filed with the city prior to the new agreement or modification becoming effective. The initial approval and the continuance of a license or permit is contingent upon these agreements complying with this section and state statutes and regulations. It shall be unlawful for the premises owner to provide accounting or bookkeeping services to the licensee, directly or indirectly.~~
- ~~9. All licensees and permittees in the city will assure continuous and active management of the gambling operation by members of the organization and will not delegate managerial responsibilities; all licensees and permittees will work continuously to operate in the most efficient manner to increase the amount of available lawful proceeds and will maintain the lowest possible costs and will encourage and use volunteers to the fullest extent possible.~~
- ~~5. Contributions. Each organization conducting lawful gambling within the city shall contribute a minimum of 60% of its net profits to organizations outside of itself within the city's trade area as defined in § 115.16.~~
- ~~6. Law Enforcement And Administrative Costs.~~
 - ~~1. All organizations conducting lawful gambling within the city shall, within 30 days of the end of the month, pay to the city an amount equal to 3% of the gross receipts from lawful gambling conducted in the city in that month, less amounts actually paid for prizes, to cover the city's law enforcement and administrative costs in regulating lawful gambling. Any unused portion of this money will be paid back annually in accordance with M.S. § 349.213, as it may be amended from time to time.~~
 - ~~2. The city may investigate the criminal history and background of an applicant for a premises permit or license pursuant to this section.~~
- ~~7. Gambling Exempt From State Licensing Requirements.~~
 - ~~1. Organizations which conduct lawful gambling which are exempt from state gambling licensing requirements may conduct that gambling within the city upon receipt of a permit~~

- ~~from the city, except this requirement does not apply to door prizes, raffles, and bingo where total prizes are less than an amount set forth in the fee schedule.~~
- ~~2.—An application for this type of permit, along with a fee in the amount set from time to time by Council resolution, shall be made at least 30 days prior to the date the gambling is to be conducted. The application shall contain the following:
 - ~~1.—The name of the organization;~~
 - ~~2.—The address of the organization;~~
 - ~~3.—The place where the gambling will occur; and~~
 - ~~4.—The total prizes to be awarded.~~~~
 - ~~3.—Within 30 days of filing any reports with the Gambling Control Board, the organization shall file a copy of those reports with the city.~~
 - ~~4.—The provisions relating to law enforcement and administrative costs set forth in § 115.20 shall not apply to gambling permitted pursuant to this paragraph. All other provisions of this section apply to these organizations.~~
 - ~~8.—Violations. It shall be a misdemeanor to carry on any lawful gambling activity without a valid premises permit. Nothing in this paragraph shall preclude the city from enforcing this section by means of any appropriate legal action.~~
 - ~~9.—Enforcement Responsibility. Nothing in this section shall be construed to require the city to undertake any responsibility for enforcing compliance with M.S. Ch. 349 other than those provisions related to the issuance of premises permits as required in M.S. § 349.213, as these statutes may be amended from time to time.~~

11.24.010 Adoption Of State Law By Reference

The provisions of M.S. Ch. 349, as they may be amended from time to time, with reference to the definition of terms, conditions of operation, provisions relating to sales, and all other matters pertaining to lawful gambling are hereby adopted by reference and are made a part of this ordinance as if set out in full. It is the intention of the Council that all future amendments of M.S. Ch. 349, are hereby adopted by reference or referenced as if they had been in existence at the time this ordinance was adopted.

11.24.020 City May be More Restrictive than State Law

The Council is authorized by the provisions of Minn. Stat. § 349.213, as it may be amended from time to time, to impose, and has imposed in this ordinance, additional restrictions on gambling within its limits beyond those contained in M.S. Ch. 349, as it may be amended from time to time.

11.24.030 Purpose

The purpose of this ordinance is to regulate lawful gambling within the City of Spring Lake Park, to prevent its commercialization, to ensure the integrity of operations, and to provide for the use of net profits only for lawful purposes.

11.24.040 Definitions

In addition to the definitions contained in M.S. § 349.12, as it may be amended from time to time, the following terms are defined for the purpose of this ordinance.

BOARD. State of Minnesota Gambling Control Board.

CITY. City of Spring Lake Park.

COUNCIL. The City Council of the City of Spring Lake Park.

LICENSED ORGANIZATION. An organization licensed by the Board.

LOCAL PERMIT. A permit issued by the city.

TRADE AREA. The City and each city contiguous to the City.

11.24.050 Applicability

This ordinance shall be construed to regulate all forms of lawful gambling within the city except bingo conducted within a nursing home or a senior citizen housing project or by a senior citizen organization if the prizes for a single bingo game do not exceed \$10, total prizes awarded at a single bingo occasion do not exceed \$200, only members of the organization, residents of the nursing home or housing project, and their guests, are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, and a manager is appointed to supervise the bingo.

11.24.060 (Reserved)

11.24.070 Lawful Gambling Permitted

Lawful gambling is permitted within the city provided it is conducted in accordance with M.S. §§ 609.75-.763, inclusive, as they may be amended from time to time; M.S. §§ 349.11-.23, inclusive, as they may be amended from time to time; and this ordinance.

11.24.080 Council Approval

Lawful gambling authorized by M.S. §§ 349.11-.23, inclusive, as they may be amended from time to time, shall not be conducted unless approved by the Council, subject to the provisions of this ordinance and state law.

11.24.090 Application And Local Approval Of Premises Permits

1. Any organization seeking to obtain a premises permit from the Board shall file with the Administrator, Clerk/Treasurer an executed, complete duplicate application, together with all exhibits and documents accompanying the application as will be filed with the Board.
2. Upon receipt of an application for issuance of a premises permit, the Administrator, Clerk/Treasurer shall transmit the application to the Police Chief for review and recommendation.
3. The Police Chief shall investigate the matter and make the review and recommendation to the City Council as soon as possible, but in no event later than 45 days following receipt of the notification by the city.
4. The applicant shall be notified in writing of the date on which the Council will consider the recommendation.
5. The Council shall receive the Police Chief's report and consider the application within 45 days of the date the application was submitted to the Administrator, Clerk/Treasurer.
6. The Council shall by resolution approve or disapprove the application within 60 days of receipt of the application.
7. The Council shall deny an application for issuance or renewal of a premises permit for any of the following reasons:
 1. Violation by the gambling organization of any state statute, state rule, or city ordinance relating to gambling within the last three (3) years.
 2. Violation by the on-sale establishment or organization leasing its premises for gambling of any state statute, state rule, or city ordinance relating to the operation of the establishment, including, but not limited to, laws relating to alcoholic beverages, gambling, controlled substances, suppression of vice, and protection of public safety within the last three (3) years.
 3. Lawful gambling would be conducted at premises other than those for which an on-sale liquor license has been issued.

4. Gambling organization has not maintained an address within the city for at least three years prior to the application or it does not own a commercial building within the city from which it operates.
5. Operation of gambling at the site would be detrimental to health, safety, and welfare of the community.

11.24.100 Local Permits

1. No organization shall conduct lawful gambling excluded or exempted from state licensure requirements by M.S. § 349.166, as it may be amended from time to time, without a valid local permit. This section shall not apply to lawful gambling exempted from local regulation by Section 5 of this ordinance.
2. Applications for issuance or renewal of a local permit shall be on a form prescribed by the city. The application shall contain the following information:
 1. Name and address of the organization requesting the permit.
 2. Name and address of the officers and person accounting for receipts, expenses, and profits for the event.
 3. Dates of gambling occasion for which permit is requested.
 4. Address of premises where event will occur.
 5. Copy of rental or leasing arrangement, if any, connected with the event, including rent to be charged to the organization.
 6. Estimated value of prizes to be awarded.
3. The fee for a local permit shall be \$100. The fee shall be submitted with the application for a local permit. This fee shall be refunded if the application is withdrawn before the investigation is commenced.
4. Upon receipt of an application for issuance or renewal of a local permit, the Administrator, Clerk/Treasurer shall transmit the notification to the Police Chief for review and recommendation.
5. The Police Chief shall investigate the matter and make review and recommendation to the City Council as soon as possible, but in no event later than 45 days following receipt of the notification by the city.
6. The applicant shall be notified in writing of the date on which the Council will consider the recommendation.
7. The Council shall receive the Police Chief's report and consider the application within 45 days of the date the application was submitted to the Administrator, Clerk/Treasurer.
8. The City Council may deny an application for issuance or renewal of an excluded or exempt lawful gambling permit for any of the following reasons:
 1. Violation by the gambling organization of any state statute, state rule, or city ordinance relating to gambling within the last three (3) years.
 2. Violation by the on-sale establishment, or organization leasing its premises for gambling, of any state statute, state rule, or city ordinance relating to the operation of the establishment, including, but not limited to, laws relating to the operation of the establishment, laws relating to alcoholic beverages, gambling, controlled substances, suppression of vice, and protection of public safety within the last three (3) years.
 3. The organization has not been in existence for at least three (3) consecutive years prior to the date of application.
 4. The organization does not have at least thirteen (13) active and voting members.
 5. Failure of the applicant to pay the permit fee provided by Paragraph C within the prescribed time limit.
 6. Operation of gambling at the site would be detrimental to health, safety, and welfare of the community.
9. Local permits shall be valid for one (1) year after the date of issuance unless suspended or revoked.

11.24.110 Revocation And Suspension Of Local Permit

1. A local permit may be revoked or temporarily suspended for a violation by the gambling organization of any state statute, state rule, or city ordinance relating to gambling.
2. A license shall not be revoked or suspended until written notice and an opportunity for a hearing have first been given to the permitted person. The notice shall be personally served or sent by certified or registered mail. If the person refuses to accept notice, notice of the violation shall be served by posting it on the premises. Notice shall state the provision reasonably believed to be violated and shall also state that the permitted person may demand a hearing on the matter, in which case the permit will not be suspended until after the hearing is held. If the permitted person requests a hearing, the Council shall hold a hearing on the matter at least one week after the date on which the request is made. If, as a result of the hearing, the Council finds that an ordinance violation exists, then the Council may suspend or revoke the permit.

11.24.120 License And Permit Display

All permits issued under state law or this ordinance shall be prominently displayed during the permit year at the premises where gambling is conducted.

11.24.130 Notification Of Material Changes To Application

An organization holding a state-issued premises permit or a local permit shall notify the city within ten (10) days in writing whenever any material change is made in the information submitted on the application.

11.24.140 Local Gambling Tax

1. A local gambling tax of three percent (3%) per year is imposed on the gross receipts of a licensed organization from all lawful gambling less prizes actually paid out by the organization.
2. The tax shall be paid by the organization on a monthly basis and shall be reported on a copy of the monthly gambling activity summary and tax return filed with the Minnesota Department of Revenue. The report shall be an exact duplicate of the report filed with the Department, without deletions or additions, and must contain the signatures of organization officials as required on the report form.
3. The tax return and payment of the tax due must be postmarked, or, if hand-delivered, received in the office of the Administrator, Clerk/Treasurer, on or before the last business day of the month following the month for which the report is made.
4. An incomplete tax return will not be considered timely filed unless corrected and returned by the due date for filing.
5. Interest shall be charged at a rate of eight percent (8%) on all overdue taxes owed by the organization under this Section.

11.24.150 (Reserved)

11.24.160 Designated Trade Area

1. Each organization licensed to conduct gambling within the city shall expend one hundred percent (100%) of its lawful purpose expenditures on lawful purposes conducted within the city's trade area.
2. This section applies only to lawful purpose expenditures of gross profits derived from gambling conducted at a premises within the city's jurisdiction.

11.24.170 Records And Reporting

1. Organizations conducting lawful gambling shall file with the city clerk one copy of all records and reports required to be filed with the Board, pursuant to M.S.. Ch. 349, as it may be amended from time to time, and rules adopted pursuant thereto, as they may be amended from time to time. The records and reports shall be filed on or before the day they are required to be filed with the Board.
2. Organizations licensed by the Board shall file a report with the city proving compliance with the trade area spending requirements imposed by SLPC 11.24.160. Such report shall be made on a form prescribed by the city and shall be submitted annually.

11.24.180 Hours Of Operation

Lawful gambling shall not be conducted between 2 a.m. and 8 a.m. on any day of the week.

11.24.190 Penalty

Any person who violates any provision of this ordinance; M.S. §§ 609.75-609.763, inclusive, as they may be amended from time to time; or M.S. §§ 349.11-349.21, inclusive, as they may be amended from time to time; or any rules promulgated under those sections, as they may be amended from time to time, shall be guilty of a misdemeanor and subject to a fine of not more than \$1,000 or imprisonment for a term not to exceed 90 days, or both, plus in either case the costs of prosecution. In addition, violations shall be reported to the Board and recommendation shall be made for suspension, revocation, or cancellation of an organization's license.