

CHAPTER XIV

LAWFUL GAMBLING
(Amended, Ord. 110, 2-12-91)

Section 1400 - Lawful Gambling

1400.01 Purpose. The Minnesota legislature has established certain types of gambling as lawful within the state and has provided for the regulation thereof in Minnesota Statutes.

Chapter 349 allows cities to review applications for gambling licenses considered by the state charitable gambling control board and to license certain forms of gambling which are exempt from state licensing requirement.

The city wishes to establish criteria to evaluate gambling license applications made to by the charitable gambling board and submitted to the city council for review and license applications made directly to the city for types of gambling which are exempt from state licensing requirements.

1400.03. License required. Gambling licenses applications submitted to the city council for review shall be evaluated by the city council in accordance with the criteria established by this section.

Subd. 1. Each organization conducting lawful gambling within the city shall require a license from the city and shall be evaluated in accordance with the criteria established by this section.

Subd. 2. All gambling matters which are presented for review or approval by the city council shall be evaluated according to the following criteria:

- (a) No license shall be granted or approved unless the sponsoring organization has had an office or facility in Hennepin county for at least three years prior to the date of the gambling occasion. The term "office or facility" may include the residence of the gambling manager upon a finding by the city council that the affairs of the sponsoring organization are conducted in substantial part, from such residence.
- (b) No license shall be granted or approved for any gambling occasion which will occur on premises not owned or leased by the sponsoring organization. If the premises are leased by the sponsoring organization, the term of the lease shall be for a minimum of one year. This shall not apply to licenses for organizations having not more than one gambling occasion annually within the city.
- (c) No license shall be granted or approved for any organization which does not have at least 20 active members. Each application for license shall contain a current membership list, or portion thereof, containing information on not less than 20 members and certified by the secretary of the sponsoring organization.

- (d) No license shall be granted or approved for a gambling occasion which will occur at the same time and place as another approved gambling occasion. This shall not apply to licenses for organizations having not more than one gambling occasion annually within the city.
- (e) No license shall be granted or approved for any organization whose gambling manager has been convicted of a violation of any statute or ordinance relating to gambling.
- (f) No license shall be granted or approved for any organization unless the gambling manager has been a member in good standing of the sponsoring organization for at least two years.
- (g) No license shall be granted or approved if compensation exceeding \$40 per gambling occasion will be paid to the gambling manager or any other person.
- (h) No license shall be granted or approved which involves more than 104 bingo occasions per year, more than 12 paddlewheel occasions per year or more than 52 raffles per year.
- (i) No license shall be granted or approved which allows selling tipboards or pull-tabs other than between the hours of 12:00 noon and 12:30 a.m. each day.
- (j) No license shall be granted or approved for any gambling occasion which involves prizes exceeding the following limits:
 - (1) \$100 per single bingo game, except for cover-all games which shall not exceed \$500 per bingo occasion;
 - (2) \$2,500 total per bingo occasion;
 - (3) \$250 per single spin of a paddlewheel or from a single seal of a tipboard or from a single pull-tab.

Subd. 3. The city clerk-treasurer is authorized and directed to notify the charitable gambling control board within 30 days of receipt of notice of the license in any instance in which the city council adopts a resolution disapproving a license being considered by the board.

Subd. 4. The city clerk-treasurer is authorized and directed to notify the applicant within ten days of the city council's decision regarding any application for lawful gambling exempt from state licensing requirements made directly to the city.

Subd. 5. Any lawful gambling license granted by the city council may be suspended for violations of this section or may be revoked for a pattern of willful violations of this section. The licensee shall be notified of the proposed suspension or revocation, including a statement of the alleged violations and the grounds for suspension or revocation. The notice shall also state that the licensee has the right to demand a hearing before the city council on the proposed suspension or revocation. If a hearing is sought by the licensee, demand shall be made in writing to the city clerk-treasurer within 20 days of the receipt of notice of the intent to suspend or revoke the license. The licensee shall be notified of the time and place of the hearing at least ten days prior thereto. The licensee may be represented at the hearing by legal counsel and shall have the right to present evidence and examine witnesses. Following the hearing, the city council may suspend or revoke the license if it finds sufficient evidence of violations of this section, or any other ordinance of the city or state or federal law.

Subd. 6. Any lawful gambling license issued by the board may be revoked by the board pursuant to rules and regulations issued by the board. The city may notify the board of any violation of the law or this section and request that the license be revoked by the board.

Subd. 7. The city council shall review annually any license granted or approved under this section.

1400.05. Contributions to city. Subdivision 1. Any licensed organization holding an annual license and operating in the city shall donate 10% of the net profits derived from lawful gambling to the city. (Amended, Ord. No. 2000-04, Sec. 1)

Subd. 2. The 10% dedication to the city shall be paid on a quarterly basis based upon a fiscal year commencing January 1 of each year.

Subd. 3. The city shall credit the funds from the organization to a designated city account administered by the city without cost to the account.

Subd. 4. The funds in the account shall be distributed by the city for lawful purposes as defined in Minnesota Statutes, section 349.12.