

CHAPTER 5: GENERAL REGULATIONS

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ORDINANCE 56 GAMBLING

Section 56.01: PURPOSE. The purpose of this section is to regulate and control the conduct of lawful gambling in the City of St. Stephen and to ensure the integrity of operations, and provide for the use of net profits for lawful purposes by setting criteria and standards related to the approval or disapproval of premise permits.

Section 56.02: DEFINITIONS: Except as otherwise provided in this section, the terms defined in Minnesota Statutes, Chapter 349, are incorporated herein by reference and shall be applicable to the provisions contained herein.

Subd. 1: Gross Profits: “Gross Profit” means the gross receipts collected from lawful gambling, less reasonable sums necessary and actually expended for prizes.

Subd. 2: Net Profits: “Net Profit” means gross profit less reasonable sums actually expended for allowable expenses.

Section 56.03: PROVISIONS OF STATE LAW ADOPTED: The provisions of Minnesota Statutes Chapter 349, relating to the definition of terms, licensing, regulation, investigation and enforcement of bingo, gambling devices and video games, and all other matters pertaining thereto, are adopted and made a part of this ordinance as if set out in full.

Section 56.04: 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 Minn. St. ch. 349, as it may be amended from time to time.

Section 56.05: 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.

Section 56.06: COUNCIL APPROVAL. Lawful gambling authorized by Minn. Stat. §§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.

Section 56.07: INVESTIGATION FEE: Any organization applying for a charitable gambling license shall pay an investigation fee in the amount of \$100.

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Section 56.08: APPLICATION AND LOCAL APPROVAL OF PREMISES PERMITS.

Subd. 1: Any organization seeking to obtain a premises permit from the Board shall file with the City Clerk an executed, complete duplicate application, together with all exhibits and documents accompanying the application as will be filed with the Board.

Subd. 2: Upon receipt of an application for issuance of a premises permit, the City Clerk shall transmit the application to the City Council for review and recommendation.

Subd. 3: If approved by the City Council and the Board, a licensed organization will be responsible for an annual investigative fee for conducting lawful gambling within the City.

Subd 4: the applicant shall be notified in writing of the date on which the Council will consider the application.

Subd. 5: the Council shall by resolution approve or disapprove the application within 60 days of the receipt of the application.

Section 56.09: LOCAL PERMITS.

Subd. 1: No organization shall conduct lawful gambling excluded or exempted from state licensure requirements by Minn. Stat. §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 56.05 of this ordinance.

Subd. 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:

- (i) Name and address of the organization requesting the permit.
- (ii) Name and address of the officers and person accounting for receipts, expenses, and profits for the event.
- (iii) Dates of gambling occasion for which permit is requested.
- (iv) Address of premises where event will occur.
- (v) Copy of rental or leasing arrangement, if any, connected with the event, including rent to be charged to the organization.
- (vi) Estimated value of prizes to be awarded.

Subd. 3: Upon receipt of an application for issuance or renewal of a local permit, the City Clerk shall transmit the notification to the City Council for review and recommendation.

Subd. 4: The City Council shall, by resolution, approve or disapprove the application within 60 days of receipt of the application.

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Subd. 5: The applicant shall be notified in writing of the date on which the Council will consider the recommendation.

Subd. 6: Local permits shall be valid for one (1) year after the date of issuance unless suspended or revoked.

Section 56.10: PERMIT CRITERIA: Each pending application for issuance or renewal of a local permit or a premise shall be approved or disapproved by resolution of the city Council within sixty (60) days after receipt of the application. In approving the application, the City must determine whether or not the benefit that the lawful use of the charitable gambling funds brings to the local community is broad based or for the benefit of needy non-members of the organization, as opposed to aiding a very small number of individuals who are also members of the organization. The City may disapprove an application for issuance or renewal of a local permit or premise permit for any of the following reasons:

Subd. 1: Violation by the gambling organization of any statute, ordinance or rule relating to gambling;

Subd. 2: Violation by the on-sale establishment, or other organization leasing its premise for gambling, of any statute, ordinance or rule 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;

Subd. 3: Failure by the gambling organization to make adequate corrections in its organizational structure and procedures in response to an audit report;

Subd. 4: Where the operations of gambling at the site would be detrimental to health, safety or welfare; or

Subd. 5: The benefit that the lawful use of charitable gambling funds brings to the local community is not broad based;

Subd. 6: The application has not been submitted in a timely fashion and of all the required information has been submitted;

Subd. 7: The organization has not been cooperative with respect to past investigations.

Section 56.11: FILING OF RECORDS; INSPECTION; ACCES TO RECORDS.

Subd. 1: Every organization licensed to conduct gambling in the City of St. Stephen shall file with the City Clerk, on a quarterly basis, copies of all records and reports required to be filed with the Minnesota Gambling Control Board and Department of Revenue pursuant to Minnesota Statutes, Chapter 349 and the rules and regulations promulgated there under.

Subd. 2: Each organization licensed to conduct lawful gambling in the City of St. Stephen shall submit any additional information requested by the City.

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Subd. 3: Any organization leasing premises for the conducting of lawful gambling shall filed with the City a copy of the lease within one (1) week after execution of the lease.

Subd. 4: Every gambling event in the City of St. Stephen conducted by an organization under State license shall be open to inspection by officers of the City.

Subd. 5: The City may inspect, at any reasonable time without notice or search warrant, all records of a licensed organization that are required to be maintained by the State Gambling Control Board.

Section 56.12: 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.

Section 56.13: REVOCATION AND SUEPENSION OF LOCAL PERMIT.

Subd. 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.

Subd. 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 two weeks 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.

Section 56.14: PENALTY. Any person who violates any provision of this ordinance; Minn. Stat. §§ 609.75-609.763, inclusive, as they may be amended from time to time; or Minn. Stat. §§ 349.11-349.21, 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.

Section 56.15: SEVERABILITY. If any provision of this ordinance is found to be invalid for any reason by a court of competent jurisdiction, the validity of the remaining provisions shall not be affected.

Section 56.16 : EFFECTIVE DATE. This ordinance becomes effective on the date of its publication, or upon the publication of a summary of the ordinance as provided by Minn. Stat. § 412.191, subd. 4, as it may be amended from time to time, which meets the requirements of Minn. Stat. § 331A.01, subd. 10, as it may be amended from time to time.