

## **CHAPTER 116: GAMBLING REGULATIONS**

### **Section**

- 116.01 Adoption of state law by reference
- 116.02 City may be more restrictive than state law
- 116.03 Purpose
- 116.04 Definitions
- 116.05 Applicability
- 116.06 Lawful gambling permitted
- 116.07 Council approval
- 116.08 Application and local approval of premises permits
- 116.09 Local permits
- 116.10 Revocation and suspension of local permit
- 116.11 License and permit display
- 116.12 Notification of material changes to application
- 116.13 Contribution of net profits to fund administered by city
- 116.14 Designated trade area
- 116.15 Records and reporting
- 116.16 Hours of operation
  
- 116.99 Penalty

### **§ 116.01 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 chapter 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 chapter was adopted.  
(Ord. 502, passed 10-19-22)

**§ 116.02 CITY MAY BE MORE RESTRICTIVE THAN STATE LAW.**

The Council is authorized by the provisions of M.S. § 349.213, as it may be amended from time to time, to impose, and has imposed in this chapter, additional restrictions on gambling within its limits beyond those contained in M.S. Ch. 349, as it may be amended from time to time.  
(Ord. 502, passed 10-19-22)

**§ 116.03 PURPOSE.**

The purpose of this chapter is to regulate lawful gambling within the city, to prevent its commercialization, to ensure the integrity of operations, and to provide for the use of net profits only for lawful purposes.  
(Ord. 502, passed 10-19-22)

**§ 116.04 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 purposes of this chapter:

***BOARD.*** The State of Minnesota Gambling Control Board.

***CITY.*** The City of Milaca.

***COUNCIL.*** The City Council of the City of Milaca.

***LICENSED ORGANIZATION.*** An organization licensed by the Board.

***LOCAL PERMIT.*** A permit issued by the city.

***TRADE AREA.*** The City of Milaca and the Townships of Dailey, Mudgett, Page, Hayland, Milaca, Borgholm, Milo, or Bogus Brook.  
(Ord. 502, passed 10-19-22)

**§ 116.05 APPLICABILITY.**

This chapter 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.  
(Ord. 502, passed 10-19-22)

**§ 116.06 LAWFUL GAMBLING PERMITTED.**

Lawful gambling is permitted within the city provided it is conducted in accordance with M.S. §§ 609.75-609.763, inclusive, as they may be amended from time to time; M.S. §§ 349.11-349.23, inclusive, as they may be amended from time to time; and this chapter.  
(Ord. 502, passed 10-19-22)

**§ 116.07 COUNCIL APPROVAL.**

Lawful gambling authorized by M.S. §§ 349.11 -349.23, 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 chapter and state law.  
(Ord. 502, passed 10-19-22)

**§ 116.08 APPLICATION AND LOCAL APPROVAL OF PREMISES PERMITS.**

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

(B) Upon receipt of an application for issuance of a premises permit, the City Manager shall transmit the application to the chief of police for review and recommendation.

(C) The chief of police 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.

(D) Organizations applying for a state-issued premises permit shall pay the city a \$100 investigation fee. This fee shall be refunded if the application is withdrawn before the investigation is commenced. 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.

(E) The applicant shall be notified in writing of the date on which the Council will consider the recommendation.

(F) 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 City Manager.

(G) The Council shall by resolution approve or disapprove the application within 60 days of receipt of the application.

(H) The Council shall deny an application for issuance or renewal of a premises permit for any of the following reasons, otherwise the Council shall pass a resolution approving the application:

(1) Violation by the gambling organization of any state statute, state rule, or city ordinance relating to gambling within the last three 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 years.

(3) Lawful gambling would be conducted at premises other than those for which an on-sale liquor license has been issued.

(4) Lawful gambling would be conducted at more than one premises within the city.

(5) An organization would be permitted to conduct lawful gambling activities at more than one premises in the city.

(6) More than one licensed organization would be permitted to conduct lawful gambling activities at one premises.

(7) Failure of the applicant to pay the investigation fee provided by division (D) within the prescribed time limit.

(8) Operation of gambling at the site would be detrimental to health, safety, and welfare of the community.

(Ord. 502, passed 10-19-22)

**§ 116.09 LOCAL PERMITS.**

(A) 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 § 116.05.

(B) 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.

(C) 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.

(D) Upon receipt of an application for issuance or renewal of a local permit, the City Manager shall transmit the notification to the chief of police for review and recommendation.

(E) The Chief of Police 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.

(F) The applicant shall be notified in writing of the date on which the Council will consider the recommendation.

(G) The Council shall receive the public safety department's report and consider the application within 45 days of the date the application was submitted to the City Manager.

(H) The Council shall deny an application for issuance or renewal of a premises permit for any of the following reasons, otherwise the Council shall approve the application:

(1) Violation by the gambling organization of any state statute, state rule, or city ordinance relating to gambling within the last three 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 years.

(3) The organization has not been in existence for at least three consecutive years prior to the date of application.

(4) The organization does not have at least 13 active and voting members.

(5) Exempted or excluded lawful gambling will not take place at a premises the organization owns or rents.

(6) Exempted or excluded lawful gambling will not be limited to a premises for which an on-sale liquor license has been issued.

(7) Exempted or excluded lawful gambling will occur at more than one premises within the city.

(8) An organization will have a permit to conduct exempted or excluded lawful gambling activities on more than one premises in the city.

(9) More than one licensed, qualified organization will be conducting exempted or excluded lawful gambling activities at any one premises.

(10) Failure of the applicant to pay the permit fee provided by division (C) within the prescribed time limit.

(11) Operation of gambling at the site would be detrimental to health, safety, and welfare of the community.

(I) Local permits shall be valid for one year after the date of issuance unless suspended or revoked. (Ord. 502, passed 10-19-22)

#### **§ 116.10 REVOCATION AND SUSPENSION OF LOCAL PERMIT.**

(A) 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.

(B) 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.

(Ord. 502, passed 10-19-22)

#### **§ 116.11 LICENSE AND PERMIT DISPLAY.**

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

(Ord. 502, passed 10-19-22)

#### **§ 116.12 NOTIFICATION OF MATERIAL CHANGES TO APPLICATION.**

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

(Ord. 502, passed 10-19-22)

#### **§ 116.13 CONTRIBUTION OF NET PROFITS TO FUND ADMINISTERED BY CITY.**

(A) Each organization licensed to conduct lawful gambling within the city pursuant to M.S. § 349.16, as it may be amended from time to time, shall contribute 10% of its net profits derived from lawful gambling in the city to a fund administered and regulated by the city without cost to the fund. The city shall disburse the funds for charitable contributions as defined by M.S. § 349.12, subd. 7(a), as it may be amended from time to time.

(B) Payment under this section shall be made on the last day of each month.

(C) The city's use of such funds shall be determined at the time of adoption of the city's annual budget or when the budget is amended.

(Ord. 502, passed 10-19-22)

**§ 116.14 DESIGNATED TRADE AREA.**

(A) Each organization licensed to conduct gambling within the city shall expend 50% of its lawful purpose expenditures on lawful purposes conducted within the city's trade area.

(B) This section applies only to lawful purpose expenditures of gross profits derived from gambling conducted at a premises within the city's jurisdiction.

(Ord. 502, passed 10-19-22)

**§ 116.15 RECORDS AND REPORTING.**

(A) Organizations conducting lawful gambling shall file with the City Manager one copy of LG100A 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.

(B) Organizations licensed by the Board shall file a report with the city proving compliance with the trade area spending requirements imposed by § 116.14. Such report shall be made on a form prescribed by the city and shall be submitted annually.

(Ord. 502, passed 10-19-22)

**§ 116.16 HOURS OF OPERATION.**

Lawful gambling shall not be conducted between 1:00 a.m. and 8:00 a.m. on any day of the week.

(Ord. 502, passed 10-19-22)

**§ 116.99 PENALTY.**

Any person who violates any provision of this chapter; M.S. §§ 609.75-609.763, inclusive, as they may be amended from time to time; or M.S. §§ 349.11-349.21, 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.

(Ord. 502, passed 10-19-22)



