

Chapter 15

GAMBLING

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Sec. 15-1. Definitions.

As used in this section, the terms defined in M.S.A. § 349.12 are incorporated in this section and by reference:

Bingo occasion means a single gathering or session at which a series of one or more successive bingo games are played.

Board means the Minnesota Gambling Control Board.

Lawful gambling means the operation, conduct or sale of bingo, raffles, paddle-wheels, tipboards and pulltabs.

Organization means any fraternal, religious, veterans or other nonprofit group which has at least 15 active dues paying members, and either has been duly incorporated in the state as a nonprofit organization for the most recent three years or has been recognized by the Internal Revenue Service as exempt from income taxation for the most recent three years, as defined in M.S.A. § 349.12, as amended.

Organizational license and *license* mean a license for lawful gambling issued by the board.

Premises permit means a permit issued by the board to an organization as defined in this section, after approval by city council resolution. A premises permit shall designate the location of an organization's lawful gambling activities.

Trade area means the cities of St. Louis Park, Minneapolis, Edina, Hopkins, Minnetonka, Plymouth and Golden Valley located in this state.

(Ord. No. 2148-99, § 13-1601, 12-6-1999; Ord. No. 2261-03, 12-15-03)

Cross reference(s)--Definitions generally, § 1-2.

Sec. 15-2. Purpose.

The purpose of this chapter 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.A. § 349.213, as amended.

(Ord. No. 2148-99, § 13-1600, 12-6-1999)

Sec. 15-3. Enforcement.

(a) It shall be a misdemeanor to carry on any lawful gambling activity without a valid premises permit within the city. Nothing in this section shall preclude the city from enforcing this chapter by means of any appropriate legal action.

(b) Nothing in this chapter shall be construed to require the city to undertake any responsibility for enforcing compliance with M.S.A. ch. 349 other than those provisions related to the issuance of premises permits as required in M.S.A. § 349.213, as amended.

(Ord. No. 2148-99, § 13-1603, 12-6-1999)

Sec. 15-4. Gambling permitted.

(a) Lawful gambling conducted pursuant to M.S.A. ch. 349 is authorized within the city, and shall be operated in accordance with the terms and conditions specified in this chapter, other applicable provisions of this Code and state and federal laws and regulations.

(b) No person, except an organization which has a premises permit from the board pursuant to M.S.A. ch. 349 or an organization permitted under this section, shall conduct lawful gambling within the city. The following bingo and raffle activities are exempt from the lawful gambling requirements:

- (1) Bingo may be conducted without a premises permit if it is in connection with a civic celebration and is not conducted for more than four consecutive days in a calendar year. A civic celebration means an event which celebrates a recognized national holiday or occasion celebrating an event proclaimed by the city council.
- (2) Bingo may be conducted without a premises permit if it is conducted by an organization which conducts four or fewer bingo occasions in a calendar year.
- (3) Bingo may be conducted without a premises permit within a nursing home, senior citizens housing project or by a senior citizen organization if the prizes for a single game do not exceed \$10.00, total prizes awarded at a single occasion do not exceed \$200.00, no more than two occasions are held each week, only members or residents are allowed to play, no compensation is paid for persons conducting bingo, and a manager is appointed who must first register with the board.
- (4) A raffle may be conducted without a premises permit if it is conducted by an organization and if the value of all raffle prizes awarded in a calendar year do not exceed \$1,500.00, or if the raffle is conducted by a tax exempt health or social service organization under contract to the state or a political subdivision if the prizes awarded are real or personal property donated by an individual, firm or other organization.
- (5) Lawful gambling may be conducted without a premises permit if the organization conducts gambling on five or fewer days in a calendar year, does not award more than \$50,000.00 in prizes in a calendar year, and receives an exemption from the state gambling board. Upon receipt of an application for exemption, the city shall conduct a background investigation of the applicant. Pending the outcome of the investigation, the city manager or the city manager's designee may approve a waiver of the 30-day waiting period or recommend city council action to issue a resolution of denial.

(Ord. No. 2148-99, § 13-1602, 12-6-1999; Ord. No. 2261-03, 12-15-03)

Sec. 15-5. Filing of records; investigations.

(a) Organizations making application to conduct lawful gambling in the city shall complete the city's investigation form, submit copies of all state gambling application forms and any additional information required by the city.

(b) The police and inspections departments shall investigate each organization and report their findings and recommendations to the city council through the city manager.

(c) Every gambling event in the city conducted by an organization under state license shall be open to inspection by the city.

(d) If requested by the city, organizations conducting lawful gambling in the city shall submit to the city copies of any reporting forms required by the board or by the Minnesota Department of Revenue.

(Ord. No. 2148-99, § 13-1604, 12-6-1999; Ord. No. 2230-02, § 1, 8-19-2002)

Sec. 15-6. Notice, approval or disapproval of premises permits.

(a) The board shall notify the city council pending application for a premises permit. The applicant shall fully cooperate with the city officials in supplying all information provided for in this chapter. The city council shall determine whether the organization meets all the criteria provided for in this chapter necessary to approve a premises permit.

(b) Each pending application for a premises permit shall be approved or disapproved by resolution of the city council within 60 days of receipt of a completed application.

(c) All organizations applying for a premises permit must meet the criteria set forth in this chapter relating to the location of lawful gambling activities.

(Ord. No. 2148-99, § 13-1605, 12-6-1999)

Sec. 15-7. Location criteria for premises permits.

(a) Gambling in the city may be conducted only at the following locations:

- (1) In the licensed organization's hall where it has its regular meetings;
- (2) In licensed on-sale liquor, wine and beer establishments;
- (3) Raffle permits, when required, are exempt from the location restrictions set forth in this section.
- (4) No location shall be approved unless it complies with the applicable zoning, building, fire and health codes of the city and other regulations contained in this chapter.

(b) A person or organization, other than an organization, which leases any premises it owns to an organization for the purpose of conducting bingo, may not allow more than 18 bingo occasions to be conducted on the premises in any week. Not more than six bingo occasions each week may be conducted by an organization. At least 15 bingo games must be held at each occasion and a bingo occasion must continue for at least 1.5 hours, but not more than four consecutive hours.

(Ord. No. 2148-99, § 13-1606, 12-6-1999; Ord. No. 2261-03, 12-15-2003)

Sec. 15-8. Distribution of proceeds.

(a) Each organization licensed to conduct gambling within the city shall contribute to a fund administered and regulated by the City, for distribution by the city for lawful purposes authorized under Minnesota Statute an amount equal to ten percent (10%) of the organization's net profits derived from each individual site at which lawful gambling is conducted within the city. For purposes of this section, net profits are profits less amounts expended for allowable expenses. Organizations that either expend 100 percent of their lawful purpose expenditures within the city of St. Louis Park or conduct the lawful gambling activity on a premises owned and operated by a nonprofit corporation are exempt from making the 10 percent contribution to the city.

(b) Each organization conducting lawful gambling within the city must expend 90 percent of its lawful purpose expenditures on lawful purposes conducted or located within the trade area. The contribution required in subsection (a) above shall be considered as part of the 90 percent expenditure. This section applies only to lawful purpose expenditures of gross profits derived from lawful gambling conducted on a premises within the city. At the end of each organization's fiscal year, each organization must file with the city a report prepared by an independent certified public accountant documenting compliance with the requirements of this section. In addition, each organization must submit monthly to the city a completed schedule C/D-LG1010.

(Ord. No. 2148-99, § 13-1607, 12-6-1999; Ord. No. 2230-02, § 1, 8-19-2002; Ord. No. 2392-10, 1-1-2011)

Sec. 15-9. Local tax.

Any organization authorized to conduct lawful gambling shall pay to the city on a prorated monthly basis a local gambling tax in the annual amount of \$3,000 per premises or three percent (3%) of the gross receipts of a licensed organization from all lawful gambling less prizes actually paid out by the organization, whichever is less. Payment shall be made no later than 25 days after the end of the preceding month and shall be accompanied by a copy of the monthly return filed with the Minnesota Department of Revenue.

(Ord. No. 2148-99, § 13-1608, 12-6-1999; Ord. No. 2213-01, 11-5-2001; Ord. No. 2230-02, § 1, 8-19-2002; Ord. No. 2300-05, 10-25-2005; Ord. No. 2392-10, 1-1-2011)