

ORDINANCE NO. 103-A

AN ORDINANCE AUTHORIZING AND REGULATING THE CONDUCT OF LAWFUL GAMBLING WITHIN THE CITY OF STOCKTON, MINNESOTA

The City Council of Stockton, Minnesota ordains:

SECTION 1. ADOPTION OF STATE LAW BY REFERENCE

The provisions of Minn. Stat. Ch. 349, as they may be amended from time to time, regarding 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 Minn. Stat. Ch. 349, are hereby adopted by reference or referenced as if they had been in existence at the time this ordinance was adopted.

SECTION 2. 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. Stat. Ch. 349, as it may be amended from time to time.

SECTION 3. PURPOSE

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

SECTION 4. DEFINITIONS

In addition to the definitions contained in Minn. Stat. § 349.12 -.23, as it may be amended from time to time, the following terms are defined for purposes of this ordinance:

BOARD, as used in this ordinance, means the State of Minnesota Gambling Control Board.

CITY, as used in this ordinance, means the City of Stockton.

COUNCIL, as used in this ordinance, means the City Council of the City of Stockton.

LICENSED ORGANIZATION, as used in this ordinance, means an organization licensed by the Board.

LOCAL PERMIT, as used in this ordinance, means a permit issued by the city.

TRADE AREA, as used in this ordinance, means City of Stockton and contiguous townships.

SECTION 5. APPLICABILITY

This ordinance shall be construed to regulate all forms of lawful gambling within the city except:

- (A) 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.

- (B) Raffles, if the value of all prizes awarded by the organization in a calendar year does not exceed \$1500 or \$5000 per calendar year for a 501 C 3 organization.

SECTION 6. LAWFUL GAMBLING PERMITTED

Lawful gambling is permitted within the city if the Council, by resolution adopted by a majority of its members authorizes lawful gambling to occur, provided it is conducted in accordance with Minn. Stat. §§ 609.75-.763, inclusive, as they may be amended from time to time; Minn. Stat. §§ 349.11-.23, inclusive, as they may be amended from time to time; and this ordinance.

SECTION 7. 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 5 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. The fee for a new 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. No fee shall be collected for renewals of local permits.

Subd. 4. Upon receipt of an application for issuance or renewal of a local permit, the city clerk shall transmit the notification to the County Sheriff for a background check, which is required to be made pursuant to M.S. 299C.72, as it may be amended from time to time. An application for such license is not complete until and unless the Applicant shall execute and deliver a consent authorizing a background check. The background check on an Applicant shall be completed before the City Council considers such application. The background check cost shall be paid by the applicant.

Subd. 5. The County Sheriff 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.

Subd. 6. The applicant shall be notified in writing of the date on which the Council will consider the recommendation.

Subd. 7. The Council shall receive the Sheriff's department report and consider the application within 45 days of the date the application was submitted to the city clerk.

Subd. 8. The Council may disapprove an application for issuance or renewal of a premises permit for any of the following reasons:

- (i) Violation by the gambling organization of any state statute, state rule, or city ordinance relating to gambling within the last three (3) years.
- (ii) 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.
- (iii) Lawful gambling would be conducted at a premise other than those for which an on-sale liquor license has been issued.
- (iv) Failure of the applicant to pay any investigation fee provide by Subdivision 3 within the prescribed time limit. Or failure to pay the background check provided by Subdivision 4.
- (v) Operation of gambling at the site would be detrimental to health, safety, and welfare of the community.

Otherwise the Council shall approve the application.

Subd. 9. Local permits shall be valid for one (1) year after the date of issuance unless suspended or revoked.

SECTION 8. REVOCATION AND SUSPENSION 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 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.

SECTION 9. 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.

SECTION 10. NOTIFICATION OF MATERIAL CHANGES TO APPLICATION

Subd. 1 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.

Subd. 2. The ten days will be from the date of service or date of mailing or date of posting of the written notice. The request shall be personally served to the City Clerk, or mailed to the Clerk by certified or registered mail, with a postmark within the ten days.

SECTION 11. CONTRIBUTION OF NET PROFITS TO FUND ADMINISTERED BY CITY

Subd. 1. Each organization licensed to conduct lawful gambling within the city pursuant to Minn. Stat. § 349.16, as it may be amended from time to time, shall contribute ten percent (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 Minn. Stat. § 349.12, subd. 7a, as it may be amended from time to time.

Subd. 2. Payment under this section shall be made in December.

Subd. 3. The city's use of such funds shall be determined at the time of deposit.

SECTION 12. DESIGNATED TRADE AREA

Subd. 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.

Subd. 2. This section applies only to lawful purpose expenditures of gross profits derived from gambling conducted at a premise within the city's jurisdiction.

SECTION 13. RECORDS AND REPORTING

Subd. 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 Minn. Stat. 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.

Subd. 2. Organizations licensed by the Board shall file a report with the city proving compliance with the trade area spending requirements imposed by Section 16. Such report shall be made on a form prescribed by the city and shall be submitted annually.

SECTION 14. HOURS OF OPERATION

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

SECTION 15. PENALTY

Any person who violates any provisions of this ordinance, including MN Statutes 349.11-349.23, as they may be amended from time to time, shall be guilty of a misdemeanor.

In addition, violations shall be reported to the Board and recommendation shall be made for suspension, revocation, or cancellation of an organization's license.

The permit holder shall have ten days from the date of penalty letter to request a hearing. The request shall be in writing and be personally served to the City Clerk, or mailed by registered or certified mail.

SECTION 16. 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 17. 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.

Passed by the City Council of Stockton, Minnesota this ____ day of _____, 2017.

Mayor David Johannes

Attested:

Bethany Winchester
Clerk - Treasurer