

ORDINANCE NO. 103

AN ORDINANCE LICENSING AND REGULATING THE CONDUCT OF GAMBLING AND PROVIDING FOR VIOLATION.

The City Council of the City of Stockton, Minnesota, ordains:

That Stockton City Ordinance No. 103, Section 1 through Section 14, be adopted to read as follows:

Section 1. Purpose

The purpose of this ordinance is to closely regulate and control the conduct of gambling.

Section 2.. Provisions of state law adopted

The provisions of Minnesota Statutes, Chapter 349, and Laws of Minnesota, 1978, Chapter 507, relating to the definition of terms, licensing, and restrictions of gambling are adopted and made a part of this ordinance as if set out in full.

Section 3. License Requirement.

No person shall directly or indirectly operate a gambling device or conduct a raffle without a license to do so as provided in this ordinance.

Section 4. Persons Eligible for a License

A license shall be issued only to fraternal, religious, and veterans organizations, or any corporation, trust, of association organized for exclusively for scientific, literary, charitable, educational, or artistic purposes, or any club which is organized and operated exclusively for pleasure or recreation. Such organization must have been in existence for at least three years and shall have at least 30 active members.

Section 5. License Fees

Subdivision 1. Fees. The annual fee for a paddle wheel shall be \$ 10.00; the annual fee for a tip board shall be \$ 10.00; and the annual fee for a raffle shall be \$ 10.00.

Subdivision 2. Application procedure. Application for a licensee shall be made upon a form prescribed by the council. No person shall make a false representation in an application. The council shall act upon said application within 180 days from the date of application, but shall not issue a license until at least 10 days after the date of application. Every license shall expire on the last day of December in each year.

Section 6. Profits

Profits from the operation of gambling devices or the conduct of raffles shall be used for proper purposes only (as defined by state law).

Section 7. Conduct of Gambling

Subdivision 1. Gambling Manager. All operation of gambling devices and the conduct of raffles shall be under the supervision of a single gambling manager to be designated by the organization. The gambling manager shall be responsible for gross receipts and profits from gambling devices and raffles and for their operation. The gambling manager shall be responsible for using profits for a proper purpose.

Subdivision 2. Qualifications of Gambling Manager
gambling manager shall be an active member of the organization, and shall qualify under state law. The gambling manager must be at least 18 years of age or older.

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Section 8. Compensation

No compensation shall be paid to any person in connection with the operation of a gambling device or the conduct of a raffle by a licensed organization. No person who is not an active member of an organization, or the spouse or surviving spouse of an active member, may participate in the organization's operation of a gambling device or conduct of a raffle.

Section 9. Reporting Requirements.

Subdivision 1. Gross Receipts. Each organization licensed to operate gambling devices shall keep records of its gross receipts, expenses and profits for each single gathering or occasion at which gambling devices are operated or a raffle is conducted. All deductions from gross receipts for each single gathering or occasion shall be documented with receipts or other records indicating the amount, a description of the purchased item or service or other reason for the deduction, and the recipient. The distribution of profits shall be itemized as to payee, purpose, amount and date of payment.

Subdivision 2. Separation of Funds. Gross receipts from the operation of gambling devices and the conduct of raffles shall be segregated from other revenues of the organization. and placed in a separate account. The person who accounts for gross receipts, expenses and profits from the operation of gambling devices or the conduct of raffles shall not be the same person who accounts for other revenues of the organization.

Subdivision 3. Monthly Reports. Each organization licensed to operate gambling devices or to conduct raffles shall report monthly to its membership, and to the city clerk, its gross receipts, expenses and profits from gambling devices or raffles, and the distribution of profits. The licensee shall preserve such records for three years.

Section 10. Eligible Premises

Gambling devices shall be operated and raffles conducted by a licensed organization only upon premises which it owns or leases, except that tickets for raffles may be sold off the premises. Leases shall be in writing and shall be for a term of at least twelve (12) months. No lease shall provide that rental payments be based on a percentage of receipts. A copy of the lease shall be filed with the city clerk.

Section 11. Prizes Total prizes from the operation of paddle wheels and tip-boards awarded in any single day in which they are operated shall not exceed \$ 1,000.00. Total prizes resulting from any single spin of a paddle wheel or from any single tip board shall not exceed \$ 100.00. Total prizes from the operation of a raffle shall not exceed \$ 15,000.00 Total prizes awarded in any calendar year by any organization shall not exceed \$ 15,000.00.

Section 12. Bingo Nothing in this ordinance shall be construed to authorize the conduct of bingo without acquiring a separate bingo license.

Section 13. Penalties.

Subdivision 1. Criminal Penalty. Violation of any provision of this ordinance shall be a misdemeanor. A person convicted of violating any provision of this ordinance shall be subject to a fine of not more \$ 500 or imprisonment for a term not to exceed 90 days, or both, plus in either case the costs of prosecution.

Subdivision 2. Suspension and Revocation. Any license may be suspended or revoked for any violation of this ordinance. A license shall not be suspended or revoked until the procedural requirements of subdivision 3 have been complied with, provided that in cases where probable cause exists as to an ordinance violation, the city may temporarily suspend upon service of notice of the hearing provided for in subdivision three (3). Such temporary suspension shall not extend for more than two (2) weeks.

Subdivision 3. Procedure. A license shall not be revoked under subdivision 2 until notice and an opportunity for a hearing have first been given to the licensee. The opportunity shall be personally served and shall state the ordinance provision reasonably believed to be violated. The notice shall also state that the licensee may demand a hearing on the matter, in which case the license will not be suspended until after the hearing is held. If the licensee requests a hearing, one shall be held on the matter within 31 days of the receipt of the request by the city clerk. If, as a result of the hearing, the council finds that an ordinance violation exists, then the council may suspend or terminate the license.

Section 14. Effective Date. This ordinance shall take effect and be in force from and after its official publication.

Passed the City Council of the City of Stockton, this 14th day of July, 1982.

Attest: Ruth Elaine Brown
City Clerk

Hadwin Lee Henry, Sr
Mayor

Published in the Winona Daily News on the 12th day of August, 1982.