

CITY OF SCANDIA

ORDINANCE NO. 100

AN ORDINANCE ADOPTING LAWFUL GAMBLING REGULATIONS FOR THE CITY OF SCANDIA

The City Council of the City of Scandia, Washington County, Minnesota hereby ordains:

The City Council of the City of Scandia hereby adopts lawful gambling regulations for the City of Scandia as follows:

- Section 1. Purpose
- Section 2. Adoption of State Law By Reference
- Section 3. City May be More Restrictive Than State Law
- Section 4. Definitions
- Section 5. Applicability
- Section 6. Lawful Gambling Permitted
- Section 7. Authorized Organizations
- Section 8. Qualifications
- Section 9. Location Criteria for Premises Permits and Bingo Hall License
- Section 10. Application and Local Approval of Premises Permits
- Section 11. Local Permits, Excluded or Exempted Gambling
- Section 12. License and Permit Display
- Section 13. Notification of Material Changes to Application
- Section 14. Designated Trade Area
- Section 15. Records and Reporting
- Section 16. Hours of Operation
- Section 17. Severability

- Section 20. Penalty

SECTION 1. PURPOSE.

The purpose of this Ordinance 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.

SECTION 2. ADOPTION OF STATE LAW BY REFERENCE.

The provisions of M.S. §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 Ordinance as if set out in full. It is the intention of the Council that all future amendments of

M.S. §349 are hereby adopted by reference as if they had been in existence at the time this chapter was adopted.

SECTION 3. 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 Ordinance, additional restrictions on gambling within its limits beyond those contained in M. S. §349, as it may be amended from time to time.

SECTION 4. 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 Ordinance:

BOARD. The State of Minnesota Gambling Control Board.

LICENSED ORGANIZATION. An organization licensed by the Board.

LOCAL PERMIT. A permit issued by the City.

TRADE AREA. This City, each City and Township contiguous to this City and any additional area situated within the boundaries of Independent School District No. 831.

SECTION 5. APPLICABILITY.

This Ordinance shall be construed to regulate all forms of lawful gambling within the City.

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 M.S. §§609.75 to 609.763, inclusive, as they may be amended from time to time; M.S. §§ 349.11 to 349.23, inclusive, as they may be amended from time to time, and this Ordinance.

SECTION 7. AUTHORIZED ORGANIZATIONS.

An organization shall not be eligible to conduct lawful gambling in the City unless it meets the qualifications in Minnesota Statutes 349.16, Subd. 2, and also meets at least one of the following conditions:

- (A) The organization has at least fifteen (15) members that are residents of the City;
- or

(B) The physical site for the organization's headquarters or the registered business office of the organization is located within the City or a municipality contiguous to the City and has been located within the City or a municipality contiguous to the City for at least two (2) years immediately preceding application for a license; or

(C) The organization owns real property within the City and the lawful gambling is conducted on the property owned by the organization within the City; or

(D) The physical site where the organization regularly holds its meetings and conducts its activities, other than lawful gambling and fund raising, is within the City or an adjacent city and has been located within the City or adjacent city for at least two (2) years immediately preceding application for a license.

(E) The organization is a fire relief organization that provides fire protection services to the City.

SECTION 8. QUALIFICATIONS.

The City Council shall not adopt a resolution approving a premises permit or bingo hall license from any applicant:

(A) Which has an officer, director, or other person in a supervisory or management position, who:

(1) has ever been convicted of a felony;

(2) has ever been convicted of a crime involving gambling;

(3) is not of good moral character and repute;

(4) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats; or

(B) Which owes or which has an officer, director, or other person in a supervisory or management position, who owes delinquent local, state or federal taxes, or is delinquent on any other City bill.

SECTION 9. LOCATION CRITERIA FOR PREMISES PERMITS AND BINGO HALL LICENSES.

All organizations applying for a premises permit or bingo hall license must meet criteria set forth herein relating to location of lawful gambling activities.

(A) An organization may conduct lawful gambling only on premises it owns or leases, except as authorized by Minnesota Statutes §349.18.

(B) Lawful gambling in the City may be conducted only in the licensed organization's hall where it has its regular meetings or in a licensed on-sale liquor, wine and beer establishment.

(C) 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 Ordinance.

SECTION 10. APPLICATION AND LOCAL APPROVAL OF PREMISES PERMITS.

(A) Each organization licensed to conduct lawful gambling in the City shall complete the City's investigation form, submit copies of all state gambling application forms, all records and reports required to be filed with the State Gambling Control Board pursuant to Minnesota Statutes §349, and the rules and regulations promulgated thereunder, and submit any additional information required by the City.

(B) Any organization seeking to obtain a premises permit or bingo hall license or renewal of a premises permit or bingo hall license from the Board shall file with the City Clerk an executed, complete duplicate application together with all exhibits and documents accompanying the application as filed with the Board. The application and accompanying exhibits and documents shall be filed not later than three days after they have been filed with the Board.

(C) Upon receipt of an application for issuance or renewal of a premises permit or bingo hall license, the City Clerk shall transmit the application to the City Peace Officer for review and recommendation.

(D) The City Peace Officer shall investigate the matter and make a 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.

(E) Organizations or bingo halls applying for a state-issued premises permit or bingo hall license shall pay the City a \$100 investigation fee. This fee shall be refunded if the application is withdrawn before the investigation is commenced.

(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 City Peace Officer's report and consider the application within 45 days of the date the application was submitted to the City Clerk.

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

(I) The Council may disapprove an application for issuance or renewal of a premises permit for any of the following reasons:

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

(5) Failure of the applicant to pay any investigation fee provided by subdivision (E) of this section within the prescribed time limit.

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

(J) Any organization leasing premises for the conduct of lawful gambling shall, upon request of the City, file with the City a copy of the lease within one (1) week after execution of the lease. Lease provisions for rental payments shall be in strict compliance with the requirements of M.S. § 349.18, as it may be amended from time to time.

SECTION 11. LOCAL PERMITS, EXCLUDED OR EXEMPTED GAMBLING.

(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.

(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 persons accounting for receipts, expenses, and profits for the event.

(3) Date 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 rental to be charged to organization.

(6) Estimated value of prizes to be awarded.

(C) The fee for a local permit shall be \$15.00. The fee shall be submitted with the application for a local permit.

(D) The applicant shall be notified in writing of the date on which the Council will consider the issuance of the local permit.

(E) The Council may disapprove an application for issuance or renewal of a local permit for any of the following reasons:

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

(2) Violation by the establishment 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 in the City for at least three consecutive years prior to the date of application.

(4) The organization does not have at least 15 active members.

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

(6) Failure of the applicant to pay permit fee provided by subdivision (C) of this section within the prescribed time limit.

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

(F) Local permits shall be valid for only the occasion or occasions they are issued.

SECTION 12. 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.

SECTION 13. NOTIFICATION OF MATERIAL CHANGES TO APPLICATION.

An organization holding a state-issued premises permit or a local permit shall notify the City in writing whenever any material change in the information submitted in the application occurs within ten days of the change.

SECTION 14. DESIGNATED TRADE AREA.

(A) Each organization licensed to conduct gambling within the City shall expend 75% of its lawful purpose expenditures on lawful purposes conducted within the City's trade area.

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

SECTION 15. RECORDS AND REPORTING.

(A) 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 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 §14 of this Ordinance. Such report shall be made on a form prescribed by the City and shall be submitted annually and in advance of application for renewal.

SECTION 16. HOURS OF OPERATION.

Neither lawful gambling nor exempt or excluded gambling shall be conducted between 1:00 a.m. and 8:00 a.m. on any day of the week.

SECTION 17. 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 20. PENALTY.

Any person who violates:

(A) Any provision of this Ordinance;

(B) M.S. §§ 609.75 to 609.763, inclusive, as they may be amended from time to time;

or

(C) M.S. §§ 349.11 to 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.

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. Additionally, a violation of this Ordinance may result in a recommendation by the City to disapprove or not renew a license or premises permit. The City may also revoke a premises permit for any violation of this Ordinance which is not corrected within 10 days of notice of such violation from the City.

A license shall not be revoked or suspended until notice and an opportunity for a hearing have first been given to the permitted organization. The notice shall be personally served and shall state the provision reasonably believed to be violated. The notice shall also state that the permitted organization 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 organization 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.

Nothing in this Ordinance shall be construed to require the City to undertake any responsibility for enforcing compliance with Minnesota Statutes § 349 other than those provisions related to the issuance of premises permits as required in M.S. §§ 349.213 as it may be amended from time to time.

Passed and adopted by the City Council of the City of Scandia this 6th day of March, 2007.

Dennis D. Seefeldt, Mayor

ATTEST:

Anne Hurlburt, Clerk/Administrator