

## Amending Title 13, Chapter 268 of the Minneapolis Code of Ordinances relating to Licenses and Business Regulations: Lawful Gambling

The City Council of the City of Minneapolis does ordain as follows:

Section 1. That Section 268.35 (c) of the above-entitled ordinance be amended to read as follows:

268.35. Location. Lawful gambling under license issued by the Minnesota Gambling Control Board may be conducted only at the following locations:

- (c) Notwithstanding subsections (a) and (b) above, ~~Class D (raffle only) licenses~~ raffles may be approved for any proper location;

Section 2. That Section 268.70 (e) of the above-entitled ordinance be amended adding subparagraph (e) as follows:

268.70. Filing of records; inspection; access to records

- (e) Each organization shall maintain complete, accurate, and legible general accounting records with detailed supporting subsidiary records sufficient to furnish information including perpetual, physical, and site inventory records. All prize accounting records must be recorded on forms prescribed by the Gambling Control Board or in a format approved by the board. The monthly accounting records must be sufficient to adequately reflect gross receipts, prizes net receipts, expenses, and all other accounting transactions.

Section 3. That Section 268.80 of the above-entitled ordinance be amended to read as follows:

268.80. Lawful gambling at on-sale establishments. Lawful gambling at on-sale liquor, wine, and 3.2 beer establishments shall be conducted in compliance with the following regulations:

- (a) ~~Notwithstanding 268.40 (c) (3), Only Class B and Class D gambling licenses may be issued~~ bingo is not permitted, except where the licensed gambling organization also holds the on-sale liquor, wine, or 3.2 beer license for the premises ~~in which case any class of gambling license may be issued.~~

- ~~(e) A lease agreement between a nonprofit organization and an on-sale establishment shall not provide for rental payments based on a percentage of receipts or profits from lawful gambling. The maximum rental fee shall be one thousand dollars (\$1,000.00) per month. There shall be no other compensation paid to the on-sale establishment, directly or indirectly, other than the rental fee provided in the lease agreement. In addition to rent, an organization may claim as an allowable expense an expenditure directly to a janitorial service or trash hauler for cleanup and services directly related to gambling activities on the premises. Such expenditures shall not exceed twenty-five (25) percent of the establishment's total expenditures for janitorial~~

~~services and trash removal for the previous twelve (12) months. No such expenditures shall be made without prior approval of the police license inspector after the organization has submitted written account records of the establishment verifying the total of such expenditures for the previous twelve (12) months.~~

- ~~(f)~~ (e) Except for mechanical dispensing devices, all gambling shall be conducted from a booth, or other area properly segregated from the rest of the licensed premises, except that raffle tickets, paddlewheel tickets and tipboards that offer only merchandise prizes may be sold within the permitted premises. The physical layout of the area set aside for gambling shall be subject to the approval of the police license inspector.
- ~~(g)~~ (f) The gambling booth shall be constructed and maintained by the organization licensed to conduct gambling, and shall be under the exclusive control of that organization. The organization licensed to conduct gambling shall prominently display its name at its gambling booth and shall indicate that all profits from gambling are for the benefit of the organization.
- ~~(h)~~ (g) Except as stated in section ~~(i)~~ (j), the organization licensed to conduct gambling shall have exclusive control over all gambling devices, gambling money, and gambling records. No employees or agents of the on-sale establishment shall handle gambling devices, gambling money, prizes, or gambling records, nor shall they record winners, replays, or free games, nor shall they otherwise conduct, or assist the licensed gambling organizations in conducting the gambling operation.
- ~~(i)~~ (h) Except for the operation of mechanical dispensing devices, no person shall be jointly employed by both the licensed organization and the on-sale establishment. ~~Subject to the approval of the police license unit, an exception may be permitted for janitorial work.~~
- ~~(j)~~ (i) The gambling booth shall be separate from the liquor service bar. No gambling shall be conducted from the liquor service bar.
- ~~(k)~~ (j) Neither the owner of the on-sale establishment nor their employees shall have access to the interior of mechanical dispensing devices. They are only permitted to redeem winning tickets and record such winners as required by law and rule.
- ~~(l)~~ (k) Payments for redemption of winning pull tab tickets dispensed by mechanical dispensing device shall be made from funds provided by the on-sale establishment. The on-sale establishment shall be reimbursed by the lawful gambling organization for winning tickets redeemed by the on-sale establishment. Reimbursements shall be made as provided in the lease agreement.
- ~~(m)~~ (l) No gambling funds shall be commingled with funds of the on-sale establishment.
- ~~(n)~~ (m) No food, drink, or entertainment discounts or other promotions shall be offered in conjunction with the sale of gambling devices or chances.

- ~~(n)~~ (n) The on-sale establishment shall allow the organization to conduct gambling at any time during its lawful business hours, and shall prohibit gambling at any time other than its lawful business hours.
- ~~(o)~~ (o) The on-sale licensee shall make no agreements with any gambling equipment distributor or manufacturer requiring the use of his or her gambling equipment or any other equipment or vending machines in the establishment. The on-sale licensee shall not receive from any gambling equipment distributor or manufacturer any money, gift, or other thing of value.
- ~~(p)~~ (p) Subsections 268.80~~(f), (g), (h), (i), (j) and (k)~~ (e), (f), (g), (h), (i), and (j) shall not apply when the licensed gambling organization is also the holder of the on-sale license for the establishment where the gambling is conducted.
- ~~(q)~~ (q) The city council may disapprove a premises permit application for an on-sale establishment in which gambling violations or other violations of law have previously occurred.
- ~~(r)~~ (r) No employee or agent of the licensed organization or any employee or agent of the on-sale establishment shall engage in lawful gambling at the establishment where they are employed.
- ~~(s)~~ (s) Any compensated employee must display their ~~ID badge~~ name when working.
- ~~(t)~~ (t) Prize receipts must be completely and accurately filled out.
- ~~(u)~~ (u) Each pull-tab ticket redeemed must be defaced.
- ~~(v)~~ (v) Separate prize receipts must be completed for each winning ticket of \$50.00 or more, and for each last sale prize of \$20.00 or more.
- ~~(w)~~ (w) Cash banks must be separated for each deal of pull-tabs in play unless the organization is using a cash register which meets standards outlined in the Gambling Control Board rules.
- ~~(x)~~ (x) Gambling employees or volunteers cannot purchase pull-tabs at the premises at which they work.
- ~~(y)~~ (y) The lessor or lessor's immediate family cannot purchase pull-tabs at the premises.
- ~~(aa)~~ (z) The gambling manager must maintain an up-to-date gambling manager's license.
- ~~(bb)~~ (aa) House rules must be adequately lighted, legible and at least eighteen (18) inches by twenty-four (24) inches.
- ~~(cc)~~ (bb) Compulsive gambling hot line number must be posted.
- ~~(dd)~~ (cc) A statement that illegal gambling is prohibited must be posted.
- ~~(ee)~~ —A sketch of the leased area must be available for review at premises.

~~(ff)~~ (dd) Persons or organizations are not to conduct any activity in leased area other than the sale or serving of food and beverages during the times when lawful gambling is being conducted.

~~(gg)~~ (ee) A clear and physical separation or tangible divider between the organization's equipment ~~or~~ and the lessor's business equipment must be established.

~~(hh)~~ (ff) Copies of distributor invoices for all games kept at the premises must be available for review.

~~(ii)~~ (gg) A current inventory list of games must be kept at the premises for review.

~~(jj)~~ (hh) Organization must deposit all receipts within four (4) business days of the date the game was closed.

~~(kk)~~ (ii) An accurate meter reading must be displayed on dispensing device.

~~(ll)~~ (jj) Persons under the age of 18 are not allowed to participate in playing of pull-tabs.

~~(mm)~~ (kk) The serial number on the flare must match the serial number printed on the tickets and the sales receptacle.

~~(nn)~~ (ll) The flare must display the Minnesota symbol imprinted on it and have an affixed bar code.

~~(oo)~~ (mm) All last sale prizes offered or posted must be purchased that way from the distributor and only the distributor can add a "last sale prize" sticker to a flare.

~~(pp)~~ (nn) No credit shall be extended for the sales of pull-tabs, including game buyouts. Checks or credit cards are not accepted for the purchase of pull-tabs, tipboards and paddlewheels.

~~(qq)~~ (oo) Employees of the police license division may inspect, at any reasonable time without notice or search warrant, all records of a licensed organization including gambling accounts and other bank and financial records of the general organization.

~~(rr)~~ (pp) All fines arising out of violations of this chapter must not be paid from the organization's general fund.

~~(ss)~~ (qq) The State Register stamp must be displayed on all dispensing devices.

~~(tt)~~ (rr) Organization must maintain a current lease for any dispensing device on premise. (88-Or-005, § 6, 1-15-88; 91-Or-207, § 7, 10-25-91; 92-Or-028, § 2, 3-13-92; 95-Or-129, § 4, 9-15-95)

Section 4. That Section 268.100 (d) (3) of the above-entitled ordinance be amended to read as follows:

268.100. Local gambling tax.

- (d) The tax imposed by this section shall be paid on a monthly basis and shall be reported on a duplicate copy of the gambling tax return filed with the Minnesota Department of Revenue each month. The report shall be an exact duplicate of the report filed with the Minnesota Department of Revenue, without deletions or additions, and must contain the signatures of organization officials as required on the report form.
- The tax return and payment of the tax due must be postmarked, or, if hand-delivered, received in the office of the police licensing unit, on or before the last business day of the month following the month for which the report is made.
- An incomplete tax return will not be considered timely filed unless corrected and returned by the due date for filing. Delays in mailing, mail pickups, and postmarking are the responsibility of the organization.
- The tax return and tax payment shall be delivered to:

Minneapolis Police License ~~Unit~~ Division  
350 South 5th Street  
Room 1-A  
Minneapolis, MN 55415

Checks shall be made payable to:  
Minneapolis Finance Office

Section 5. That Section 268.110 (b) (3) and (4) and (d) of the above-entitled ordinance be amended to read as follows:

268.110. Contribution of net profits to Minneapolis Family Fund. (a) Beginning May 1, 1990, every nonqualified organization licensed by the Minnesota Gambling Control Board to conduct gambling in the City of Minneapolis shall contribute at least ten (10) per cent of its net profits from gambling to the Minneapolis Family Fund established in section 268.120 of this Code. Net profits means profits less amounts expended for allowable expenses.

- (b) A "qualified organization" is an organization which has attained tax-exempt status under Section 501(c)(3) of the Internal Revenue Code by having:
- (3) Filed the documents referred to in (1) and (2) above with the department of ~~licenses and consumer services~~ health and family support; and
  - (4) Filed with the department of ~~licenses and consumer services~~ health and family support an affidavit, signed under oath by an officer of the organization, verifying that the organization has tax-exempt status under Section 501(c)(3) and that such status has not been revoked or otherwise cancelled. An affidavit shall be filed at the time the organization originally applies to be a qualified organization and with each subsequent application to renew its gambling license.
- A "nonqualified organization" is any organization which is not a qualified organization.
- (d) The city council shall disapprove any pending application for renewal or original issue of a premises permit for any nonqualified organization which fails to contribute ten (10) per cent of net profits to the Minneapolis Family Fund as required by this section. Further, the police license ~~unit~~ division may notify the Minnesota Gambling Control Board of any nonqualified organization which has failed to contribute ten (10) per cent of its net profits to the Minneapolis Family Fund, and may request that the board revoke or suspend the organization's

license during the license year. The city council shall not issue or renew, and may revoke or suspend, any on-sale or off-sale alcoholic beverage license, bottle club permit, or food license for any nonqualified organization which has failed to contribute ten (10) per cent of net profits to the Minneapolis Family Fund. The above remedies are not exclusive, and shall be in addition to any other powers and remedies provided by law. (90-Or-098, § 1, 4-13-90; 95-Or-129, § 6, 9-15-95)

Section 6. That Section 268.120 (c) of the above-entitled ordinance be amended to read as follows:

268.120. Minneapolis Family Fund established.

- (c) The fund shall be administered by the ~~director of licenses and consumer services department of health and family support department head or designee.~~