

2007-Or-___

**AN ORDINANCE
of the
CITY OF
MINNEAPOLIS**

By: Ostrow

**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 do ordain as follows:

Section 1. That Section 268.40 of the above-entitled ordinance be amended to read as follows:

268.40. Conditions. The conduct of lawful gambling under license issued by the Minnesota Gambling Control Board shall be subject to the following conditions in the City of Minneapolis:

(a) No sale, consumption, or possession of liquor, wine, or 3.2 beer shall be permitted during gambling conducted by a licensed organization, except as permitted under a valid on-sale liquor, wine, or 3.2 beer license, or a bottle club permit; ~~provided further that no sale, consumption, or possession of liquor, wine, or 3.2 beer shall be permitted in the room where a bingo session is taking place.~~

(b) No organization shall be eligible for a gambling license unless for the three (3) years immediately preceding the date of application:

(1) It has had an office located in the City of Minneapolis or on property adjoining land owned by the Minneapolis Park and Recreation Board that is contiguous to the City of Minneapolis. An office is defined as the principal location for the conduct of the organization's business. This may be substantiated through proof of activities such as the payment of a mortgage or rent, payment of utilities, the conduct of organization meetings, maintenance of organization records, and receipt of the organization's mail.

(2) It demonstrates that during that period substantial services have been performed, and substantial charitable funds spent, within the City of Minneapolis or on behalf of residents of the City of Minneapolis.

(c) Bingo shall be subject to the following conditions:

(1) Bingo shall not be conducted more than four (4) days each week at any site;

(2) No more than seven (7) bingo occasions shall be conducted each week by an organization;

(3) Subject to the limits set forth above, an organization may lease its hall where it has its regular meetings to no more than one licensed organization, for the conduct of bingo only, provided that the site has been used for bingo by a validly licensed organization within the previous three (3) years.

(4) Bingo halls shall not be permitted.

(d) No organization shall hold more than ~~seven (7)~~ ten (10) premises permits for locations in the City of Minneapolis of which at least one (1), ~~but no more than three (3)~~, may shall be a pull tab booth operations.

(e) No person may serve as gambling manager for any organization licensed to conduct gambling in the City of Minneapolis unless that person has satisfactorily completed the periodic training required by the Minnesota Gambling Control Board on the duties and responsibilities of the gambling manager, and holds a valid gambling manager's license issued by the board. In the case of death, disability or termination of a gambling manager, the replacement gambling manager must receive the required training within ninety (90) days after being issued a license.

Section 2. 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), 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.

(b) On-sale establishments shall be limited to one (1) licensed gambling organization at any one (1) time in the licensed premises and any rooms adjoining the premises under the same management. No lease shall be made with one (1) organization while another lease is in effect for the same on-sale establishment.

(c) Every agreement between a nonprofit organization and an on-sale premises for gambling shall be in the form of a written lease. The written lease shall be the complete agreement between the parties, and there shall be no unwritten terms or conditions. The lease shall specifically provide that the lessee shall operate only after issuance of a premises permit and shall be subject to the terms of this ordinance.

(d) A copy of any lease agreement between a nonprofit organization and an on-sale licensee shall be filed with the police license inspector with the premises permit application.

(e) Except for mechanical dispensing devices and as stated in section (j), 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.

(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.

(g) Except as stated in section (j), the organization licensed to conduct gambling shall have exclusive control over all gambling devices, gambling money, and gambling records. Except as stated in section (j), 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.

(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.

(i) The gambling booth shall be separate from the liquor service bar. Except as stated in section (j), No gambling shall be conducted from the liquor service bar.

(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. The owner and employees of the on-sale establishment may, consistent with law and rule, conduct the sale of pull-tab or tipboard games from within the establishment, including from the liquor service bar.

(k) Payments for redemption of winning pull tab tickets dispensed by mechanical dispensing device or sold pursuant to the authority of section (j) 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.

(l) No gambling funds shall be commingled with funds of the on-sale establishment.

(m) No food, drink, or entertainment discounts or other promotions shall be offered in conjunction with the sale of gambling devices or chances.

(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) 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) Subsections 268.80 (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) 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) ~~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.~~ Employees and agents of the on sale establishment not involved in the conduct of lawful gambling on the premises or nongambling employees or agents of a licensed organization conducting lawful gambling on the premises may participate in lawful gambling on the premises provided that if pull-tabs or tipboards are sold, the organization prominently posts within plain view at the point of sale the major prizes awarded.

(s) Any compensated employee must display their name when working.

(t) Prize receipts must be completely and accurately filled out.

(u) Each pull-tab ticket redeemed must be defaced.

(v) Separate prize receipts must be completed for each winning ticket of fifty dollars (\$50.00) or more, and for each last sale prize of twenty dollars (\$20.00) or more.

(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) ~~Gambling employees or volunteers cannot purchase pull-tabs at the premises at which they work.~~ A gambling employee may purchase pull-tabs or tipboards at the site of the employee's place of employment provided the organization posts the major prizes for pull-tab or tipboard games and the employee is not involved in the sale of pull-tabs or tipboards at that site.

(y) The lessor or lessor's immediate family cannot purchase pull-tabs at the premises.

(z) The gambling manager must maintain an up-to-date gambling manager's license.

(aa) House rules must be adequately lighted, legible and at least eighteen (18) inches by twenty-four (24) inches.

(bb) Compulsive gambling hot line number must be posted.

(cc) A statement that illegal gambling is prohibited must be posted.

(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.

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

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

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

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

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

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

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

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

(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.

(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.

(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.

(pp) All fines arising out of violations of this chapter must be paid from the organization's general fund.

(qq) The state register stamp must be displayed on all dispensing devices.

(rr) Organization must maintain a current lease for any dispensing device on premise.