

Ordinance 47

An Ordinance Licensing and Regulating the Conduct of Gambling, Repealing Inconsistent Ordinances, and Providing a Penalty for Violation.

The Council of the City of Badger ordains:

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 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, or association organized for exclusively 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.

Subd. 1. Fee. The fee for a tipboard shall be \$200.00 for 3 months.

Subd. 2. Application Procedure. Application for a license 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 30 days after the date of application.

Section 6. Profits. Profits from the operation of gambling devices shall be used for proper purposes only.

Section 7. Conduct of Gambling.

Subd. 1. Gambling Manager. All operation of gambling devices 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 for their operation. The gambling manager shall be responsible for using profits for a proper purpose.

Subd. 2. Bond. The gambling manager shall provide a fidelity bond in the sum of \$1,000.00 in favor of the organization conditioned on the faithful performance of his duties.

Subd. 3. Qualifications of gambling manager. The gambling manager shall be an active member of the organization, and shall qualify under state law.

Section 8. Compensation. No compensation shall be paid to any person in connection with the operation of a gambling device 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.

Section 9. Reporting Requirements.

Subd. 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. All deductions from gross receipts 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.

Subd. 2. Separation of funds. Gross receipts from the operation of gambling devices 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 shall no be the same person who accounts for other revenues of the organization.

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

Section 10. Eligible premises. Gambling devices shall be operated by a licensed organization only upon premises which it owns or leases. Leases shall be in writing and shall be for a term of at least 3 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 tipboards awarded in any single day in which they are operated shall not exceed \$500.00. Total prizes resulting

from any single tipboard shall not exceed \$100.00. 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.

Subd. 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 the \$500.00 or imprisonment for a term not to exceed 90 days or both, plus in either case the costs of prosecution.

Subd. 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 3. Such temporary suspension shall not extend for more than 2 weeks.

Subd. 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 notice shall also state that the licensee may demand a hearing on the matter, in which case the licensee will not be suspended until after the hearing is held. If the licensee requests a hearing, the City Council finds that an ordinance violation exists, then the Council may suspend or terminate the license.

Section 14. Inconsistent ordinances. All ordinances and parts of ordinances inconsistent with this ordinance are hereby repealed.

Section 15. Effective date. The ordinance becomes effective upon its passage and publication according to law.

Passed by the Council this 13th day of February, 1980.

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Lois M. Johnson, Mayor

Leslie S. Lockhart, Publisher

Attest:

Joan M. Larson, Clerk

Philip E. Stewart, Notary Public