

**CITY OF RICE LAKE
ST. LOUIS COUNTY**

ORDINANCE No. 53

**AN ORDINANCE REGULATING CHARITABLE GAMBLING
WITHIN THE CITY OF RICE LAKE**

The City Council of the City of Rice Lake Hereby Ordains as follows:

Section 1: Purpose.

- A. Purpose: The purpose of this ordinance is to closely regulate and control the conduct of charitable gambling within the city in conformance with Minnesota statutes sections 349.11 through 349.22, and to adopt more stringent regulations for lawful gambling as authorized by Minnesota statutes section 349.213(1).

Section 2: License.

A. Licensee Investigation:

1. Investigation Required: Pursuant to Minnesota statutes section 349.16(8), the city shall conduct an investigation of every qualified organization applying for or renewing its state license with the Minnesota state gambling board to conduct charitable gambling in the city.
2. Fee: Pursuant to Minnesota statutes section 349.16(8), an investigation fee in the amount of \$50.00 shall be charged to every state charitable gambling licensee requesting approval to conduct charitable gambling in the city. Said fee shall be nonrefundable.
3. Conduct Of Investigation: The investigation shall be conducted by the St. Louis County Sheriff's Department.
4. Time Of Investigation: The investigation shall be completed within fourteen (14) days from the date that the licensee provides the city with the required information and paid the investigation fee required by this subsection.
5. Information Required: The investigation shall be based on the following information which the licensee shall provide to the city on forms approved by the city:

- a. The official, legal name of the organization.
- b. The business address.
- c. The business telephone number.
- d. The address of the premises where the lawful gambling will be conducted.
- e. The names, addresses and titles of the organization's executive officers.
- f. Proof of Minnesota or internal revenue service tax exempt status.
- g. An indication of whether the applicant is chartered by parent organization.
- h. If the organization is not a Minnesota organization, the address of the location in Minnesota where the organization's gambling records will be kept.
- i. The name and address of the gambling manager.
- j. A copy of the required fidelity bond for gambling managers.
- k. An indication of whether the organization owns or leases the premises where the lawful gambling will be conducted.
- l. An indication of the class of license applied for.
- m. The number of active members.
- n. If incorporated, the number of the articles of incorporation and where filed.
- o. The federal ID number, if any.
- p. An "authorization to inspect bank records" of the gambling bank account of the organization, and an itemization of all expenditures made from net profits for the year preceding the year of approval or renewal.
- q. A consent that city law enforcement officers or agents of the state gambling board may enter upon the site to observe the lawful gambling being conducted and to enforce the law for any unauthorized game or practice.

- r. A copy of the lease agreement for the premises where the organization will conduct lawful gambling if the premises is not owned by the organization.
- s. A copy of the written internal accounting and administrative control system relative to gambling operations or, if the licensee is requesting an approval for renewal of its license, a sworn affidavit from an executive officer that said control system has not been changed from the prior year.
- t. Such additional information as is necessary to properly identify the applicant and to ensure compliance with Minnesota statutes sections 349.11 to 349.22.

B. Eligible Licensees: Only local nonprofit organizations which have operated for at least three (3) years within the city, have at least fifteen (15) active members, have a license to conduct lawful gambling from the state gambling board, and comply with Minnesota statutes chapter 349 and this section, shall be permitted to conduct charitable gambling within the city. In the event that no local nonprofit organization chooses to operate a charitable gambling site, the city council may license a nonlocal, nonprofit organization which complies with all applicable state and local regulations.

Section 3: Restrictions.

- A. Gambling In Liquor Establishments: No holder of a retail on sale intoxicating liquor license shall keep, possess, or operate or permit the keeping, possession, or operation of any slot machine, dice or any gambling device or apparatus on the licensed premises, and he shall not permit any gambling therein. This subsection shall not prohibit the conduct of charitable gambling on the licensed premises as defined and regulated by Minnesota Statutes chapter 349, and a licensee may lease a portion of the licensed premises for charitable gambling to any qualified organization that can obtain a charitable gambling license pursuant to State law.
- B. Expenditures Within Trade Area: Every organization licensed to conduct lawful gambling within the City shall be required to expend 100% of its lawful purpose expenditures of gross profits derived from lawful gambling conducted at premises within the City of Rice Lake on expenditures within the City of Rice Lake's trade area, which is defined as the corporate limits of the Cities of Rice Lake, Hermantown, Duluth, and the Townships of Canosia, Fredenberg, Gnesen, Lakewood, and Normanna.

Section 4: Violation.

A. Misdemeanor Violation; Penalties: Every person who violates any provisions of this section when such person performs an act thereby prohibited or declared unlawful, or fails to act when such failure is thereby prohibited or declared unlawful, and upon conviction thereof, shall be punished as for a misdemeanor, except as otherwise stated in specific provisions hereof or, upon conviction thereof, shall be punished as a misdemeanor and shall be subject to a fine not to exceed \$1,000.00. Violation shall also be grounds for revoking or nonrenewal of a charitable gambling license.

Section 5: Effective Date.

A. This ordinance shall be effective upon its passage and publication in accordance with law.

Passed by the Rice Lake City Council this _____ day of April, 2020.

John Werner, Mayor

Toni Blomdahl, City Clerk-Treasurer