

**ORDINANCE NO. 13-03**

**CITY OF FALCON HEIGHTS  
RAMSEY COUNTY, MINNESOTA**

**AN ORDINANCE REGULATING THE CONDUCT OF LAWFUL  
GAMBLING WITHIN THE CITY OF FALCON HEIGHTS, MINNESOTA**

**THE CITY COUNCIL OF FALCON HEIGHTS ORDAINS:**

**SECTION 1.** Section 30-4 of the Falcon Heights City Code is amended to provide as follows:

**Sec. 30-4 Regulating the Conduct of Lawful Gambling**

**(a) PURPOSE**

The purpose of this section is to regulate lawful gambling within the City of Falcon Heights, to prevent its commercialization, to insure the integrity of operations, and to provide for the use of net profits only for lawful purposes.

**(b) ADOPTION OF STATE LAW BY REFERENCE**

The provisions of Minn. Stat. Ch. 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 section as if set out in full. It is the intention of the Council that all future amendments of Minn. Stat. Ch. 349 are hereby adopted by reference or referenced as if they had been in existence at the time this section was adopted.

**(c) DEFINITIONS**

In addition to the definitions contained in Minn. Stat. § 349.12, as it may be amended from time to time, the following terms are defined for purposes of this section:

*LICENSED ORGANIZATION*, as used in this section, means an organization licensed by the Board.

*LOCAL PERMIT*, as used in this section, means a permit issued by the city.

*TRADE AREA*, as used in this section, means the corporate limits of the City and each contiguous city.

**(d) APPLICABILITY**

This section shall be construed to regulate all forms of lawful gambling within the city except bingo conducted within a nursing home or a senior citizen housing project or by a senior citizen organization if the prizes for a single bingo game do not exceed Ten Dollars (\$10), total prizes awarded at a single bingo occasion do not exceed Two Hundred Dollars (\$200), no more than two (2) bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, and a manager is appointed to supervise the bingo.

**(e) LAWFUL GAMBLING PERMITTED**

Lawful gambling is permitted within the city provided it is conducted in accordance with Minn. Stat. §§ 609.75-.763, inclusive, as they may be amended from time to time; Minn. Stat. §§ 349.11-.23, inclusive, as they may be amended from time to time; and this section.

**(f) COUNCIL APPROVAL**

Lawful gambling shall not be conducted unless approved by the Council, subject to the provisions of this section and state law.

**(g) APPLICATION AND LOCAL APPROVAL OF PREMISES PERMITS**

- (1) Any organization seeking to obtain a premises permit from the Board shall file with the City Clerk an executed, complete duplicate application, together with all exhibits and documents accompanying the application as will be filed with the Board.
- (2) Upon receipt of an application for issuance of a premises permit, the City Clerk shall transmit the application to the Chief of Police for review and recommendation.
- (3) The Chief of Police shall investigate the matter and make the review and recommendation to the City Council as soon as possible, but in no event later than forty-five (45) days following receipt of the notification by the city.

- (4) The applicant shall be notified in writing of the date on which the Council will consider the recommendation.
- (5) The Council shall receive the police chief's report and consider the application within forty-five (45) days of the date the application was submitted to the City Clerk.
- (6) The Council shall by resolution approve or disapprove the application within sixty (60) days of receipt of the application.
- (7) The Council may deny an application for issuance or renewal of a premises permit for any of the following reasons:
- a. Violation by the gambling organization of any state statute, state rule, or city section relating to gambling within the last three (3) years.
  - b. Violation by the on-sale establishment or organization leasing its premises for gambling of any state statute, state rule, or city section 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 (3) years.
  - c. Lawful gambling would be conducted at premises other than those for which an on-sale liquor license has been issued.
  - d. An organization would be permitted to conduct lawful gambling activities at more than one (1) premises in the city.
  - e. More than one licensed organization would be permitted to conduct lawful gambling activities at one (1) premises.
  - f. Operation of gambling at the site would be detrimental to health, safety, and welfare of the community.
- Otherwise, the Council may pass a resolution approving the application.

**(h) LOCAL PERMITS**

**(1)** No organization shall conduct lawful gambling excluded or exempted from state licensure requirements by Minn. Stat. § 349.166, as it may be amended from time to time, without a valid local permit. This section shall not apply to lawful gambling exempted from local regulation by Section 30-4(d).

**(2)** 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:

- a. Name and address of the organization requesting the permit.
- b. Name and address of the officers and person accounting for receipts, expenses, and profits for the event.
- c. Dates of gambling occasion for which permit is requested.
- d. Address of premises where event will occur.
- e. Copy of rental or leasing arrangement, if any, connected with the event, including rent to be charged to the organization.
- f. Estimated value of prizes to be awarded.

**(3)** Upon receipt of an application for issuance or renewal of a local permit, the City Clerk shall transmit the notification to the Chief of Police for review and recommendation.

**(4)** The Chief of Police shall investigate the matter and make 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.

**(5)** The applicant shall be notified in writing of the date on which the Council will consider the recommendation.

**(6)** The Council shall receive the public safety department's report and consider the application within 45 days of the date the application was submitted to the City Clerk.

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

a. Violation by the gambling organization of any state statute, state rule, or city section relating to gambling within the last three (3) years.

b. Violation by the on-sale establishment, or organization leasing its premises for gambling, of any state statute, state rule, or city section 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 (3) years.

c. The organization has not been in existence in the city for at least three (3) consecutive years prior to the date of application.

d. The organization does not have at least thirteen (13) active and voting members.

e. Exempted or excluded lawful gambling will not take place at a premises the organization owns or rents.

f. Exempted or excluded lawful gambling will not be limited to a premises for which an on-sale liquor license has been issued.

g. An organization will have a permit to conduct exempted or excluded lawful gambling activities on more than one (1) premises in the city.

h. More than one (1) licensed, qualified organization will be conducting exempted or excluded lawful gambling activities at any one (1) premises.

i. Failure of the applicant to pay the permit fee provided by subdivision 3 within the prescribed time limit.



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

Otherwise the Council may approve the application.

(8) Local permits shall be valid for one (1) year after the date of issuance unless suspended or revoked.

**(i) REVOCATION AND SUSPENSION OF LOCAL PERMIT**

(1) A local permit may be revoked or temporarily suspended for a violation by the gambling organization of any state statute, state rule, or city section relating to gambling.

(2) A local permit shall not be revoked or suspended until written notice and an opportunity for a hearing have first been given to the permitted person. The notice shall be personally served or sent by certified or registered mail. If the person refuses to accept notice, notice of the violation shall be served by posting it on the premises. Notice shall state the provision reasonably believed to be violated and shall also state that the permitted person 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 person 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 section violation exists, then the Council may suspend or revoke the permit.

**(j) LICENSE AND PERMIT DISPLAY**

All permits issued under state law or this section shall be prominently displayed during the permit year at the premises where gambling is conducted.

**(k) NOTIFICATION OF MATERIAL CHANGES TO APPLICATION**

An organization holding a state-issued premises permit or a local permit shall notify the city within ten (10) days in writing whenever any material change is made in the information submitted on the application.

**(l) LOCAL GAMBLING TAX**

(1) A local gambling tax of three percent (3%) per year is imposed on the gross receipts of a Licensed Organization from all lawful gambling less prizes actually paid out by the Licensed Organization.

(2) The tax shall be paid by the Licensed Organization on a monthly basis and shall be reported on a copy of the monthly gambling activity summary and tax return filed with the Minnesota Department of Revenue. The report shall be an exact duplicate of the report filed with the Department, without deletions or additions, and must contain the signatures of organization officials as required on the report form.

(3) The tax return and payment of the tax due must be postmarked, or, if hand-delivered, received in the office of the City Clerk, on or before the last business day of the month following the month for which the report is made.

(4) An incomplete tax return will not be considered timely filed unless corrected and returned by the due date for filing.

(5) Interest shall be charged at a rate of eight percent (8%) on all overdue taxes owed by the organization under this Section.

**(m) CONTRIBUTION OF NET PROFITS TO FUND ADMINISTERED BY CITY**

(1) Each organization licensed to conduct lawful gambling within the city pursuant to Minn. Stat. § 349.16, as it may be amended from time to time, shall contribute ten percent (10%) of its net profits derived from lawful gambling in the city to a fund administered and regulated by the city without cost to the fund. The city shall disburse the funds for charitable contributions as defined by Minn. Stat. § 349.12, subd. 7a, as it may be amended from time to time.

(2) Payment under this section shall be made on the last day of each month.

(3) The city's use of such funds shall be determined at the time of adoption of the city's annual budget or when the budget is amended.

**(n) DESIGNATED TRADE AREA**

(1) Each organization licensed to conduct gambling within the city shall expend seventy five percent (75%) of its lawful purpose expenditures on lawful purposes conducted within the city's Trade Area.

(2) This section applies only to lawful purpose expenditures of gross profits derived from gambling conducted at a premises within the city's jurisdiction.

**(o) RECORDS AND REPORTING**

(1) 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 Minn. Stat. Chapter 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.

(2) Organizations licensed by the Board shall file a report with the city proving compliance with the trade area spending requirements imposed by this Section. Such report shall be made on a form prescribed by the city and shall be submitted annually.

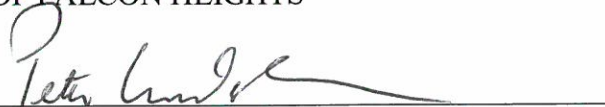
**SECTION 2. EFFECTIVE DATE**

This ordinance is effective immediately upon passage.

**ADOPTED** this 12<sup>th</sup> day of June, 2013, by the City Council of Falcon Heights, Minnesota.

CITY OF FALCON HEIGHTS

BY:

  
Peter Lindstrom, Mayor

ATTEST:

  
Bart Fischer, City Administrator/Clerk