

**CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA**

ORDINANCE NO. _____

**AN ORDINANCE AMENDING INVER GROVE HEIGHTS
CITY CODE TITLE 4 CHAPTER 7 RELATED TO GAMBLING**

The City Council of Inver Grove Heights does hereby ordain:

Section 1. Amendment. Inver Grove Heights City Code Title 4 Chapter 7 in its entirety is hereby amended to read as follows:

4-7-1: ADOPTION OF STATE LAW BY REFERENCE:

The provisions of Minnesota statutes Statutes, chapter 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 chapter as if set out in full. It is the intention of the council Council that all future amendments of Minnesota statutes Statutes, chapter 349, are hereby adopted by reference or referenced as if they had been in existence at the time this chapter was adopted. (Ord. 1206, 3-8-2010)

4-7-2: CITY MAY BE MORE RESTRICTIVE THAN STATE LAW:

The council Council is authorized by the provisions of Minnesota statutes Statutes section 349.213, as it may be amended from time to time, to impose, and has imposed in this chapter, additional restrictions on gambling within its limits beyond those contained in Minnesota statutes Statutes, chapter 349, as it may be amended from time to time. (Ord. 1206, 3-8-2010)

4-7-3: PURPOSE:

The purpose of this chapter is to regulate lawful gambling within the city of Inver Grove Heights, to prevent its commercialization, to ensure the integrity of operations, and to provide for the use of net profits only for lawful purposes. (Ord. 1206, 3-8-2010)

4-7-4: DEFINITIONS:

In addition to the definitions contained in Minnesota statutes Statutes section 349.12, as it may be amended from time to time, the following terms are defined for purposes of this chapter:

BOARD: The state State of Minnesota gambling Gambling control Control boardBoard.

LICENSED ORGANIZATION: An organization licensed by the boardBoard.

LOCAL ORGANIZATION: An organization defined by Minnesota statutes Statutes section 349.12 that also meets the following criteria:

- A. The organization has at least fifteen (15) members that are current residents of the city; and
- B. The physical site for the organization's headquarters or the registered office of the organization is located within the city and has been located within the city for at least two (2) years immediately preceding the application for a license; or
- C. The organization owns real estate within the city, and the lawful gambling is conducted on the property owned by the organization within the city; or
- D. The physical site where the organization regularly holds its meetings and conducts its activities, other than lawful gambling and fundraising, is within the city and has been located within the city for at least two (2) years immediately preceding application for a license.

TRADE AREA: Pursuant to Minnesota Statutes section 349.213, The the cities of Inver Grove Heights, South St. Paul, Rosemount, Eagan, West St. Paul, Sunfish Lake, St. Paul Park, Newport, and Mendota Heights constitute the Trade Area. (Ord. 1206, 3-8-2010)

4-7-5: APPLICABILITY:

This chapter shall be construed to regulate all forms of lawful gambling within the city except:

A. 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 (\$10.00), total prizes awarded at a single bingo occasion do not exceed two hundred dollars (\$200.00), 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.

B. Raffles if the value of all prizes awarded by the organization in a calendar year does not exceed one thousand five hundred dollars (\$1,500.00).

A. Lawful gambling that is excluded from licensure pursuant to Minnesota Statutes section 349.166, subdivision 1.

CB. Lawful gambling that is exempt from licensure pursuant to Minnesota statutes Statutes section 349.166, subdivision 2. (Ord. 1206, 3-8-2010)

4-7-6: LAWFUL GAMBLING PERMITTED:

Lawful gambling is permitted within the city provided it is conducted in accordance with Minnesota statutes Statutes sections 609.75 through 609.763, inclusive, as they may be amended from time to time; Minnesota statutes Statutes sections 349.11 through 349.23, inclusive, as they may be amended from time to time; and this chapter. (Ord. 1206, 3-8-2010)

4-7-7: COUNCIL APPROVAL:

Lawful gambling authorized by Minnesota statutes Statutes sections 349.11 through 349.23, inclusive, as they may be amended from time to time, requiring local approval shall not be conducted unless the premises permit is approved by the council Council, subject to the provisions of this chapter and state law. (Ord. 1206, 3-8-2010)

4-7-8: APPLICATION AND LOCAL APPROVAL OF PREMISES PERMITS:

A. Eligibility For A Premises Permit: A premises permit may only be issued and approved if:

1. The premises is an on-sale liquor establishment;
2. No more than one other premises permit currently exists for the premises;
3. The organization does not already hold a premises permit or the organization holds only one other premises permit within the city;
43. The organization that will conduct the lawful gambling is eligible for an organization license from the board Board.

B. Process:

1. Application: Any organization seeking to obtain a premises permit from the board Board shall file with the clerk an executed, complete duplicate application, together with all exhibits and documents accompanying the application as will be filed with the board Board. The organization shall pay the city a two hundred fifty dollars (\$250.00) investigation fee. This fee shall be refunded if the application is withdrawn before the investigation is commenced.
2. Background Investigation: Upon receipt of an application for issuance of a premises permit, the clerk shall transmit the application to the police department for review and recommendation. The police department shall investigate the matter and make the review and recommendation to the council Council as soon as possible, but in no event later than forty forty-five (45) days following receipt of the application notification by the city. The council Council shall receive the police department's report and consider the application within forty forty-five (45) days of the date the application was submitted to the clerk.
3. Approval Or Denial Of Application: The applicant shall be notified in writing of the date on which the council Council will consider the recommendation. The council Council shall, by resolution, approve or disapprove the application within sixty (60) days of receipt of the application.

C. Grounds For Ineligibility: The council Council shall deny an application for issuance of a premises permit for any of the following reasons:

1. Violation by the gambling organization of any state statute, state rule, or city ordinance relating to gambling within the last three (3) years.
2. The organization already holds two (2) premises permits within the city.
32. The premises for which a premises permit is sought is not an on-sale liquor establishment.
43. The organization that will conduct the lawful gambling is ineligible for an organizational license from the board Board.

54. There is already one are already two licensed Licensed organization Organizations permitted to conduct lawful gambling activities at the premises.

65. Failure of the applicant to pay the investigation fee provided by this section within the prescribed time limit.

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

D. Renewal: The council Council is without authority to compel the owner of an on-sale liquor establishment to renew a premises permit. (Ord. 1206, 3-8-2010)

4-7-9: PRIORITY IN APPROVAL PROCESS:

It is anticipated that there may be multiple more than one organizations applying for an available premises permit at a single on-sale liquor establishment. Therefore, the following criteria, in the order listed, prioritize and determine the approval for the one available premises permit:

A. If there are two (2) or more applications, then a local Local organization Organization will be preferred over an organization that does not meet the definition of local Local organizationOrganization. Because of the nuisance prone nature of gambling, compared to other licensing or permitting activities within the city, the city prefers that the organization have a local connection so as to facilitate investigation of applicants and the investigation and arrest of violators. Where two (2) or more organizations seek to obtain an available have a premises permit at the same on-sale liquor establishment, the organization that meets the definition of local Local organization Organization will be preferred over an organization that does not meet the definition.

B. If two (2) or more nonlocal organizations seek approval, the council Council will approve the organization which applied first. (Ord. 1206, 3-8-2010)

4-7-10: INSPECTIONS:

A. All licensed Licensed organizations Organizations are deemed to have consented to inspection of the licensed or permitted premises by the city.

B. Authorized employees or agents of the city may inspect, at any reasonable time without notice or search warrant, all records, including gambling accounts and other bank records, required by the board Board to be maintained and preserved. (Ord. 1206, 3-8-2010)

4-7-11: LICENSE AND PERMIT DISPLAY:

All permits issued under state law or this chapter shall be prominently displayed during the permit year at the premises where gambling is conducted. (Ord. 1206, 3-8-2010)

4-7-12: NOTIFICATION OF MATERIAL CHANGES TO APPLICATION:

An organization holding a state issued premises permit shall notify the city within ten (10) days in writing whenever any material change is made in the information submitted on the application. (Ord. 1206, 3-8-2010)

4-7-13: DESIGNATED TRADE AREA:

A. During the calendar year, each licensed Licensed organization Organization within the city having a premises permit within the city shall expend at least sixty percent (60%) of its lawful purpose expenditures made that year on lawful purposes conducted within the city's trade area.

B. This section applies only to lawful purpose expenditures of gross profits derived from gambling conducted at a premises within the city's jurisdiction that remain after payment of allowable expenses. (Ord. 1264, 4-22-2013)

4-7-14: CONTRIBUTION OF NET PROFITS TO FUND ADMINISTERED BY CITY:

A. Each organization licensed to conduct lawful gambling with the city pursuant to Minnesota Statutes section 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.

B. The required payment under this section shall be made monthly no later than 15 days after the end of the month.

C. The funds must be disbursed by the city for (i) charitable contributions as defined in section 349.12, subdivision 7a, or (ii) police, fire, and other emergency or public safety-related services, equipment, and training, excluding pension obligations. If the city receives and makes expenditures authorized under this section, then the city must by March 15 of each year file a report with the Board, on a form the Board prescribes, that lists all such revenues collected, interest received on fund balances, and expenditures for the previous calendar year. If the city makes charitable contributions authorized under this section, then the city must acknowledge the financial contributions of organizations conducting lawful gambling to the community and to the recipients of the funds. This may occur in communications about the funds as well as in the distribution of funds.

D. 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.

4-7-1415: RECORDS AND REPORTING:

A. Licensed organizations Organizations shall file with the clerk one copy of all records and reports required to be filed with the boardBoard, pursuant to Minnesota statutesStatutes, 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 boardBoard.

B. Licensed organizations Organizations shall file an annual report with the city proving compliance with the trade area spending requirements imposed by section 4-7-13 of this chapter. Such report proving compliance with trade area spending requirements shall be made on a form prescribed by the city. The report shall be submitted within sixty (60) days of December 31 and shall report proceeds received during the just ended calendar year. (Ord. 1206, 3-8-2010)

C. Licensed Organizations shall file a monthly report with the city proving compliance with the contribution requirements of ten percent (10%) of net profits derived from lawful gambling in

the city as imposed by section 4-7-14. This report shall be made on a form prescribed by the city and shall be submitted to the city no later than 15 days after the end of the month. Licensed Organizations shall also file an annual report on a form prescribed by the city showing compliance with the requirements of section 4-7-14; the annual report shall be submitted no later than 15 days after the end of the calendar year and shall show all payments to the city for the just ended calendar year.

4-7-1516: HOURS OF OPERATION:

Lawful gambling shall not be conducted between one two o'clock (12:00) A.M. and eight o'clock (8:00) A.M. on any day of the week. (Ord. 1206, 3-8-2010)

4-7-1617: PENALTY:

A. Any person who violates this chapter is guilty of a misdemeanor. In addition to criminal prosecution for violation of this chapter; Minnesota statutes Statutes sections 609.75 through 609.763, inclusive, as they may be amended from time to time; or Minnesota statutes Statutes sections 349.11 through 349.21, as they may be amended from time to time or any rules promulgated under those sections, as they may be amended from time to time, the council Council may report violations to the board Board and may recommend suspension, revocation, or cancellation of an organization's license and of an organization's premises permit.

B. The council Council may suspend or revoke its approval for a premises permit for any reason that the board Board may revoke a premises permit or for violation of this chapter.

C. Prior to recommending suspension, revocation, or cancellation of an organization's license to the board Board and prior to suspending or revoking its approval for a premises permit, the council Council must provide the organization a hearing before the council Council in accordance with subsection 3-2-10B of this code. (Ord. 1206, 3-8-2010)

D. During the time that the revocation or suspension of the previously granted approval of the premises permit is in effect, the Licensed Organization shall not conduct lawful gambling at the location of the premises permit.

Section 2. Effective Date. This Ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed in regular session of the City Council on the _____ day of _____, 2018.

CITY OF INVER GROVE HEIGHTS

By: _____
George Tourville, Mayor

ATTEST:

By: _____
Michelle Tesser, City Clerk