

AN ORDINANCE REGULATING GAMBLING IN THE CITY OF SHELLY BY
NON-PROFIT ORGANIZATIONS

THE CITY COUNCIL OF THE CITY OF SHELLY DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Definitions. For purposes of this Ordinance, the following words and phrases have the following definitions:

- a. Gambling devices means those gambling devices known as "paddlewheels," "tipboards", or apparatus used in conducting "raffles."
- b. Paddlewheel means a wheel marked off into sections containing one or more numbers in which, after being turned or spun, uses a pointer or marker to indicate winning chances.
- c. Tipboard means a board, placard, or other device measuring at least twelve (12") inches square and marked off in a grid or similar pattern in which each section contains a hidden number or numbers or other symbol which determines the winning chances.
- d. Raffle means a game in which a participant buys a ticket for a chance at a prize with the winner determined by a random drawing.
- e. Profit means the gross receipts from the operation of gambling devices and the conduct of raffles less reasonable sums expended for prizes, local licensing fees, taxes and maintenance costs for the devices.

Section 2. Licenses Restricted. No license for operation of a gambling device shall be issued to any organization other than a fraternal, religious, veteran or other non-profit organization covered by Section 290.05, Subd. 1, Clause (i) or (k). Any such organization must have been in existence for at least three (3) years prior to filing of the application for a gambling license and must have at least thirty (30) active members at the time of issuance of the license.

Section 3. Application for License. Every application for gambling license shall be on a form supplied by the City Clerk. Every application for a gambling license shall be submitted with a Fidelity Bond in the amount of \$10,000.00 in favor of the organization conditioned on the faithful performance of the duties of the gambling manager. Every application shall be approved or rejected by the City Council no sooner than thirty (30) days nor more than one hundred eighty (180) days from the date of submission.

Section 4. At the time of the filing of the application, applicant shall file with the City Clerk a license fee for a gambling license. The fee for a gambling license shall be FIVE HUNDRED and No/100 Dollars or such other fee as the City Council may, by Resolution, adopt. The license fee for a gambling license shall not be modified more than once in any calendar year. Any change in license fees shall not apply or pertain to any applications then pending.

Section 5. Period of License. Each license granted by the City Council shall be valid for a period of one (1) year unless, prior thereto the license shall be suspended or revoked as hereafter provided.

Section 6. Suspension or Revocation of License.

a. Grounds for Suspension or Revocation. The City Council may, by Resolution, suspend or revoke the gambling license of any organization on any of the following grounds:

1. Violation of Minnesota Statutes Section 349.26;
2. Violation of Minnesota Statutes Section 325.54;
3. Violation of any other law or Ordinance relating to the operation of gambling devices or establishments selling liquor;
4. Fraudulent or dishonest gambling devices or any other deceptive or misleading practice by persons or the organization engaged in the operation of the gambling devices;

5. Improper record keeping or failure to supply receipts;
6. Failure to allow police officers or other government officials to examine records of business establishment,
7. Allowing a person who has been convicted of a violation of this Ordinance to participate in the operation of any gambling device or conduct of raffle within five (5) years from the date of conviction.

b. Procedure for Suspension or Revocation. Upon direction of the City Council, the City Clerk shall send to the organization named in the application or gambling manager named in the application by certified mail, return receipt requested, a notice that, at the next regular meeting of the City Council of the City of Shelly, which shall be not less than ten (10) days from the date of mailing of the notice, the Council shall consider the suspension or revocation of the gambling license. The notice shall include reasonable notice to the applicant of the grounds of suspension or revocation.

c. Hearing. At the time of the hearing on the suspension or revocation of the gambling license, the City Attorney shall present reliable evidence which shall satisfy the City Council by a preponderance of the evidence that grounds for suspension or revocation exist. The applicant may be represented by counsel and shall have the right of cross-examination of all witnesses called by the City to testify. Reliable evidence as used herein shall include reliable hearsay and opinion testimony. After presentation of the evidence on behalf of the City, the applicant shall have the right to present such relevant testimony as they desire. Upon submission of the applicant's testimony, the City shall have the right to present rebuttal. After conclusion of the testimony, the Council shall, by a two-thirds vote, decide whether to suspend or revoke the gambling license. In the event of suspension, the Council may establish such reasonable conditions for reinstatement as they deem necessary. In addition, the Council may establish a period of suspension for a period of not less than thirty (30) days.

Section 7. Use of Profits. The profits from the operation of gambling devices or the conduct of raffles shall be used solely for lawful purposes as defined in Section 349.12, Subd. 6, and as authorized by a majority vote at a regular meeting of the organization.

Section 8. Gambling Manager. Each application shall state the name of the gambling manager for the period of the license. The gambling manager shall indicate on the application his acceptance of the duties and responsibilities of the office and his promise, under oath, to be bound by the laws pertaining to the operation of gambling devices. No person shall be a gambling manager who is not an active member of the organization making said application. The gambling manager shall receive no compensation other than reasonable reimbursement of expenses incurred in connection with his duties. The gambling manager may also be the Bingo manager for the applicant. However, the gambling manager shall not serve any other organization as either gambling manager or Bingo manager. The gambling manager shall be responsible for the gross receipts and profits from gambling devices and raffles and for their operation. The gambling manager shall give a Fidelity Bond in the sum of \$10,000.00 in favor of the organization conditioned on the faithful performance of his duties and the Bond and Waiver thereof shall be subject to the same provisions as those applying to the Bond required of a Bingo manager pursuant to Section 349.17, Subd. 7. Said Bond to be submitted with the application for license.

Section 9. Participation in Connection with Operation of Gambling Device or Conduct of Raffle. No person who is not an active member of an organization or its Auxiliary or the spouse or surviving spouse of an active member may participate in the organization's operation of a gambling device or conduct of a raffle.

Section 10. Records. Each organization shall maintain records in writing to the operation of gambling devices or conduct of raffles consistent with the provisions of Minnesota Statute Section 349.26, Subd. 13.

Section 11. Prizes. Total prizes from the operation of paddlewheels and tipboards awarded in any single day in which they are operated shall not exceed \$500.00. Total prizes resulting from any single spin of a paddlewheel or from any single tipboard shall not exceed \$100.00. Total prizes awarded in any calendar year by any organization from the operation of paddlewheels and tipboards and the conduct of raffles shall not exceed \$15,000.00. Merchandise prizes shall be valued at fair market retail value.

Section 12. Violation. Notwithstanding anything heretofore provided for the suspension or revocation of the gambling license, any person or persons violating or aiding and abetting, counselling, hiring, or directing the violation of this Ordinance or any part thereof shall be guilty of a misdemeanor and shall be punished by a fine of not less than Two Hundred (\$200.00) Dollars nor more than Five Hundred (\$500.00) Dollars or a jail sentence of not more than ninety (90) days or both. No person convicted of a violation of this Ordinance shall serve or be allowed to participate in the operation of any gambling device or conduct of a raffle for any organization for a period of five (5) years.

Section 13. Separability. If any portion of this Ordinance is held invalid or suspended, such invalidity or suspension shall not apply to any other part of the Ordinance or any other Ordinance.

Passed by the City Council of the City of Shelly, this 7th day of May, 1979.

Alvina Swenson
Mayor

ATTEST:

M Frolstad
City Clerk

Amendment to Ordinance No. 55

The City Council of the City of Shelly does hereby ordain as follows:

Ordinance No. 55 Section 4 is hereby amended to read as follows:

Section 4: At the time of the filing of the application, applicant shall file with the City Clerk a license fee for a gambling license. The Fee for the gambling license shall be FIFTY DOLLARS or such other fee as the City Council may, by Resolution, adopt. The license fee for a gambling license shall not be modified more than once in any calendar year. Any change in license fees shall not apply or pertain to any application then pending.

Passed by the City Council of the City of Shelly, this 5th day of December 1980.

City of Shelly

By: Alvina Swenson
Mayor

Attest:

M Frolstad
Clerk- Treasurer