

## Ordinance No. 2024-12

### An Ordinance authorizing and regulating the conduct of lawful gambling; repealing and replacing Section 605 of the Minnetonka City Code

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The City of Minnetonka Ordains:

Section 1. Section 600.070, subdivision 9 of the Minnetonka City Code, set forth in whole below, and relating to restrictions on liquor licenses, is repealed:

9. ~~[Repealed.]Gambling. A licensee must not keep, possess, or operate or permit the keeping, possession or operation of, on the licensed premises or in any room adjoining the licensed premises, any slot machine, dice or any gambling device or apparatus, nor permit any gambling therein. A licensee must not permit the licensed premises or any portion of it, or any adjoining building directly or indirectly under its control, to be used for any illegal purpose. Notwithstanding the above, gambling licensed and permitted by the Minnesota charitable gambling board is allowed in connection with temporary licenses and events, and sales sponsored by the Minnesota state lottery may be made at any licensed establishment.~~

Section 2. Section 605 of the Minnetonka City Code, a copy of which is attached to this ordinance, is repealed in its entirety and replaced with the following:

#### **SECTION 605. LAWFUL GAMBLING.**

##### **605.005. Adoption of State Law by Reference.**

The provisions of Minn. Stat. ch. 349 are hereby adopted by reference and are made a part of this ordinance as if set out in full. It is the intention of the city 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 ordinance was adopted.

##### **605.010. Purpose.**

The purpose of this section is to regulate lawful gambling within the City of Minnetonka, to ensure the integrity of operations, and to provide for the use of net profits only for lawful purposes.

##### **605.020. 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 605:

“Board” means the State of Minnesota Gambling Control Board.

“Licensed organization” means an organization licensed by the board.

“Trade area” means a geographic area comprised of the city of Minnetonka, any city that abuts Minnetonka, or any school districts that have a presence in Minnetonka.

### **605.025. Lawful Gambling Permitted.**

Subd. 1. 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 and any rules promulgated thereunder, as they may be amended from time to time; and this section 605.

Subd. 2. No city permit is required for the conduct of gambling that is exempt from licensing under Minn. Stat. § 349.166, but the provisions of sections 605.030, 605.035, 605.045, 605.050 and 605.065 apply to both licensed gambling activities and gambling activities exempt from licensing.

Subd. 3. Every gambling event in the city conducted by an organization under state license or permit must be open to inspection by the city.

### **605.030. Authorized Organizations.**

Only nonprofit organizations which have been licensed or permitted by the State Gambling Control Board and which meet the following requirements may conduct lawful gambling in the city:

1. The organization must demonstrate that it holds regularly scheduled meetings, and the meeting location must be within the trade area as defined in section 605.020.
2. At least one third of the organization’s members must reside within the trade area as defined in section 605.020.

### **605.035. Filing of records.**

Organizations that make application to the board to conduct lawful gambling in the city, by license or permit must submit copies of all state gambling application

forms to the community development director.

**605.040. Approval of Premises Permits.**

Subd. 1. Application. The board will notify the city when an organization applies for a premises permit under Minn. Stat. ch. 349. The organization seeking to obtain a premises permit under Minn. Stat. ch. 349 must file with the community development director a duplicate of its licensing application and premises permit application as filed with the state, including all exhibits and documents accompanying the applications.

Subd. 2. Investigation. The organization seeking a premises permit must complete the city's investigation form and a \$250 investigation fee. The fee shall be refunded if the application is withdrawn before the investigation is commenced. The chief of police will investigate the matter and make a recommendation to the city council within 45 days following the city's receipt of the application materials and investigation fee.

Subd. 3. The city council must approve or disapprove the application within 60 days of receipt of the application materials and investigation fee.

Subd. 4. The council shall deny an application for issuance of a premises permit, or for reissuance of a premise permit after suspension, revocation or other termination, for any of the following reasons:

- (a) The organization does not meet the requirements of this section.
- (b) The organization has violated any state statute, state rule or city ordinance relating to gambling within the last three years;
- (c) The entity leasing its premises to the applicant organization has repeatedly violated any state statute, state rule or city ordinance relating to the operation of the establishment, including, but not limited to, laws relating to alcoholic beverages, gambling, controlled substances, suppression of vice, or protection of public safety within the last three (3) years.

**605.045. License and Permit Display.**

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

**605.050. Notification of Material Changes to Application.**

A licensed 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.

**605.055. Contribution of Net Profits to Fund Administered by City.**

Subd. 1. Each licensed organization 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.

Subd. 2. Payment under this section shall be made annually.

Subd. 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.

**605.060. Designated Trade Area.**

Subd. 1. Each licensed organization shall expend at least seventy percent (70%) of its lawful purpose expenditures on lawful purposes conducted within the city's trade area, as defined in section 605.020.

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

**605.065. Hours of Operation.**

Lawful gambling shall not be conducted between 1 a.m. and 8 a.m. on any day of the week.


**605.070. Criminal penalty.**

Any person who violates any provision of this section 605 is guilty of a misdemeanor.

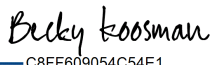
offense. In addition, violations shall be reported to the board and recommendation shall be made for the suspension, revocation or cancellation of an organization's license.

Section 3. This ordinance is effective 30 days after publication.

Adopted by the city council of the City of Minnetonka, Minnesota, on July 8, 2024.

DocuSigned by:  
  
21AA42DB33F7415...  
Brad Wiersum, Mayor

Attest:

DocuSigned by:  
  
C8FF609054C54E1...  
Becky Koosman, City Clerk

**Action on this Ordinance:**

Date of introduction: May 20, 2024  
Date of adoption: July 7, 2024  
Motion for adoption: Wilburn  
Seconded by: Foster-Bolton  
Voted in favor of: Foster-Bolton, Schack, Wilburn, Calvert, Ramaley, Coakley  
Voted against: Wiersum  
Abstained: None  
Absent: None  
Ordinance adopted.

Date of publication: July 25, 2024

I certify that the foregoing is a true and correct copy of an ordinance adopted by the city council of the City of Minnetonka, Minnesota, at a meeting held on July 8, 2024.

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Becky Koosman, City Clerk

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The ~~stricken~~ language is deleted; the underlined language is inserted.

**EXHIBIT A**  
**Section Repealed**

**SECTION 605. CHARITABLE GAMBLING ACTIVITIES.**

**605.005. General Provisions.**

A person or organization must not conduct gambling activities in the city except when those activities are lawful gambling that is licensed or exempt from licensing pursuant to the provisions of Minn. Stat. chapter 349. For purposes of this ordinance, "gambling" has the same meaning as in Minn. Stat. § 609.75.

**605.010. Investigation.**

1. Requirement. Any person or organization applying for a state license to conduct lawful gambling within the city must submit to a background investigation conducted by the city. At the time that it files its application for a license with the charitable gambling control board, the person or organization must:

- a. complete an investigation form provided by the city;
- b. furnish any additional information required by the city; and
- c. pay an investigation fee of \$250.00. This fee will be refundable if the application is withdrawn and no investigation has been started before the city receives this information.

2. Exception. A person or organization that is exempt from state license requirements is not required to comply with these investigation requirements.

3. Renewals. If the council determines that the public interest so warrants, it may require a similar investigation at the time of any license renewal. If an investigation is ordered by the city council, the applicant must comply with the requirements of paragraph 1, except that the fee will be the smaller of the stated dollar amount or the actual investigation cost. Any difference between the stated amount and actual amount will be refunded to the applicant.

**605.015. Reporting Requirements.**

All organizations that conduct lawful gambling in the city must file with the community development department, copies of all records and reports filed with the charitable gambling control board pursuant to state law and rules. All such organizations must promptly notify the city of any change in the identity of its gambling manager.