

CHAPTER 306 – GAMBLING LICENSE

This Chapter shall be known, cited and referred to as the “City of Spring Grove regulation for gambling licenses chapter” except as referenced to herein as “this Chapter.” This Chapter supercedes all previous ordinances related to gambling and gambling licensing.

A. STATEMENT OF FINDINGS. The City Council of the City of Spring Grove finds it necessary to provide guidelines for the approval of businesses or enterprises which offer private gambling to the public, in order to protect the public health, safety and welfare, regulate lawful gambling to prevent its commercialization, ensure integrity of gambling operations and provide for the use of profits only for lawful purposes. The City Council further finds that enterprises offering private gambling, conducted in private and by employees with no specialized training are susceptible to operation in a manner contravening or subverting the State’s and City’s purposes for lawful gambling or endangering the morals of the community by being sites of illegal gambling and occurrences of violent crimes, thus requiring close inspection, licensing and regulation. The City Council finds that the special nature of private gambling, in contrast to other licensed occupations or fund-raising methods supports more restrictive regulation. Private gambling can lead to conflict between the non-profit sponsor and the premises owner and is easily abused by either or both; because of the potential for conflict, the City Council finds it essential that the City be able to resolve disputes and enforce regulations as between the parties. Private gambling is more prone to nuisance effects than other licensed occupations. The City Council finds that rather than prohibiting private gambling as the City might do under state law, the City and its residents are best served by private gambling restricted as set forth below.

The City Council finds that control and regulation of commercial enterprises of these types, in view of the abuses often perpetrated, require intensive police and public health efforts by the City and other local government units providing such services. As a consequence, the concentrated use of such services in such control detracts from and reduces the level of services available to the rest of the community and thereby diminishes the ability of the City to promote the general health, welfare, morals and safety of the community. The City Council finds that the regulations of this Ordinance will protect property values, eliminate or reduce blight, prevent deterioration of neighborhoods, prevent the exodus of residents and businesses from City neighborhoods, prevent the increase of gambling addictions and prevent the increase of crime and juvenile delinquency.

The City Council finds that local regulations and the local residency requirement will provide better access to the licensee, both during the application process and operation of the gambling enterprise, expedite application, facilitate enforcement of regulations and better hold the licensee accountable for gambling – related actions.

B. DEFINITIONS. The following words and terms, wherever they occur in this chapter, shall be construed as herein defined. Words not defined shall be interpreted in accord with their definitions in standard dictionaries.

1. Private Gambling: Private gambling includes pull-tabs and other games of chance where entries are sold, the game may be played and prize payments are made, all on the same premises. Private gambling does not include games or contests administered on a state – wide basis, such as state lotteries, nor does it include Bingo, which is licensed under Chapter 304 of this code.
2. Trade Area: The trade area of the City of Spring Grove consists of the corporate limits of Spring Grove and the cities of Caledonia, Mabel, Eitzen and all other cities and towns within a 12 mile radius of Spring Grove’s corporate limits.
3. Local School Purposes: Money or in-kind contributions devoted to the complete discretion of the City of Spring Grove’s public School and accepted by the School for use or disposal as the School designates, is devoted to local School Purposes.
4. Temporary Gambling License: A license issued pursuant to an Application for Exempt Status, to last for a period of less than 6 days.

C. STATE REGULATIONS ADOPTED. The regulatory provisions of Minnesota Statutes 349.11 to 349.22, and as amended from time to time, are hereby adopted in the City of Spring Grove, with the addition of the provisions of the Chapter. Where the provisions of the Chapter differ from the statute, the provisions of this Chapter control.

D. SEVERABILITY. If any provision of this Chapter is found to be unconstitutional or otherwise contrary to law, all other provisions will remain in full force and effect.

E. LOCAL AUTHORITY. The State of Minnesota Gambling Control Board licenses gambling operations within the state. As part of this licensing, the Gambling Control Board requests that the City of Spring Grove either approve or deny applications for any gambling operation located within the City. The City adopts the following measures to guide City approval of private gambling operations, in addition to the requirements imposed by state law.

1. It is a violation of this section to gamble or to operate gambling operations without City approval of a state gambling license.
2. By resolution, the City may restrict the number or frequency of Temporary Gambling License approval if the City finds that events held with Temporary Gambling Licenses are detracting fro the general welfare of the City or creating a nuisance. A maximum of three (3) Temporary Gambling License approvals shall be issued to organizations in any year, to allow gambling at a maximum of five total locations for the year.

3. The manager (s) or operating officer (s) of a licensed organization conducting Private Gambling within the jurisdiction of the City of Spring Grove shall be a person who resides within the Trade Area of Spring Grove.
4. A licensed organization conducting Private Gambling within the jurisdiction of the City of Spring Grove shall expend all of its expenditures for lawful purposes on local purposes conducted or located within the Trade Area of the City of Spring Grove. If the Charter of any organization, at the time of adoption of this Chapter, allows for or directs the disbursement of funds outside the trade area the Charter applies.
5. A licensed organization conducting Private Gambling within the jurisdiction of the City of Spring Grove shall either:
 - a. Contribute ten percent of its net profits derived from lawful gambling conducted at premises within the City's jurisdiction to a fund administered and regulated by the City without cost to the fund, for disbursement by the City for lawful purposes; or
 - b. Expend ten percent of its expenditures for lawful purposes on Local School Purposes.

F. PENALTY. Violation of any provision of this Ordinance shall be a misdemeanor. The person convicted of violating any provision of this Ordinance shall be subject to penalty pursuant to Title 1900 of the City of Spring Grove code of ordinances.

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