

ORDINANCE NO. 43-AS AMENDED

**ORDINANCE LICENSING AND PROVIDING THE CONDUCT OF
BINGO AND PROVIDING A PENALTY FOR VIOLATION**

The Council of the City of Brownton ordains:

Section 1. Purpose. The purpose of this ordinance is to closely regulate and control the conduct of the game of bingo and to prohibit commercialization of bingo.

Section 2. Definitions. Whenever the following terms appear in this ordinance, they shall have the meanings assigned to them in this section.

Subd. 1. Active member. A member of the organization requesting a license whose dues are paid for the current membership period and who has been a member for at least six months.

Subd. 2. Bingo. A game where each player has a card or board for which a consideration has been paid, containing five horizontal rows of spaces, with each row except the central one containing five figures. The central row has four figures with the word "free" marked in the center space thereof. A player wins a game of bingo by completing any pre-announced combination of spaces or, in the absence of a pre-announcement of a combination of spaces, any combination of five spaces in a row, either vertical, horizontal, or diagonal.

Subd. 3. Bingo occasion. A single gathering or session at which a series of one or more successive bingo games is played.

Subd. 4. Eligible organization. Any fraternal, religious, veterans or other nonprofit organization which has been in existence for at least three years and has at least 30 active members.

Subd. 5. Profit. The gross receipts collected from one or more bingo occasions less reasonable sums necessarily and actually expended for bingo supplies and equipment, prizes, rent and utilities used during the bingo occasions, bingo license fees, and compensation to persons lawfully hired to conduct or assist in conducting a bingo occasions.

Section 3. License Required.

Subd. 1. No bingo occasion shall be conducted except by an eligible organization which has secured a license for that purpose, as provided in this ordinance.

Subd. 2. A license shall be valid for twelve calendar months for the date of issuance.

Subd. 3. The annual license fee shall be \$ 25.00.

Sudb. 4. The license application shall be acted upon by the council no sooner than 30 days and no later than 180 days after the date of application.

Sudb. 5. No bingo license issued may be transferred to any other person or organization. No bingo license shall be transferred to any location other than the location specified in the license, without prior approval by the council.

Section 4. License Application. Every application for a bingo license shall be made to the city clerk on a form supplied by the city and containing such information as the clerk or the council may require. No person shall make a false statement in an application. Copies of each application shall be referred to the city's police chief, fire chief, and building inspector, for their recommendations.

Section 5. Suspension or Revocation. The council may suspend for a period not exceeding 60 days, or revoke, any bingo license for violation of any provision of M.S. Ch. 349 or this ordinance. The holder of the license shall be granted a hearing upon at least 10 days notice before revocations or suspension is ordered. The notice shall state the time and place of the hearing and the nature of the charges against the licensee.

Section 6. Conduct of Bingo.

Subd. 1. Each licensed organization shall appoint a bingo manager to supervise bingo occasions conducted by it. The bingo manager must be a member of the licensed organization, with dues paid for the current membership period, and must have been a member of the organization for at least two years. The bingo manager shall give a fidelity bond in the sum of \$10,000.00, unless unanimously waived by the City Council, in favor of the organization conditioned on the faithful performance of his or her duties. Terms of the bond shall provide that notice shall be given in writing to the City Council not less than 30 days prior to its cancellation. Each bingo occasion shall be conducted under the direct supervision of the bingo manager, who shall be responsible for the conduct of the bingo occasion in compliance with all applicable laws and ordinances. No person shall act a bingo manager for more than on organization.

Subd. 2. One or more checkers shall be engaged for each bingo occasion. The checkers shall be active members of the licensed organization or spouses of active members of the licensed organization. The checker or checkers shall record the number of cards purchased and played in each game prior to the completion of each game and record the prizes awarded to the recorded cards. Each checker shall certify all figures which he or she has recorded as accurate and correct to the best of his or her knowledge, on forms prescribed by the city clerk.

Subd. 3. Additional persons may be engaged for other duties in connection with bingo occasions as needed, but no person shall assist in the conduct of a bingo occasion who is not an active member of the licensed organization, or the spouse of an active member of the licensed organization.

Subd. 4. No personal shall receive more that \$12.00 as compensation for any duties in connection with any one bingo occasion.

Subd. 5. No more that 104 bingo occasion's each year or two bingo occasions each week shall be conducted by any licensed organization.

Subd. 6. A bingo occasion shall not continue for more than four consecutive hours.

Section 7. Prizes.

Subd. 1. Prizes for a single bingo game shall not exceed \$100 except prizes for a game of the type commonly known as a "cover-all" game. "Cover-all" prizes may exceed \$100 provided that the aggregate value of such prizes for a bingo occasion shall not exceed \$500. The aggregate value of prizes for a bingo occasion shall not exceed \$2,500 except that in the case of a bingo occasion during which a "cover-all" game is played for a maximum prize of more that \$100 but less that \$500, the aggregate value of prizes for the bingo occasion shall not exceed \$3,000. Merchandise prizes shall be valued at fair market retail value.

Subd. 2. Each bingo winner shall be determined and every prize shall be awarded and delivered the same day on which the bingo occasion is conducted.

Section 8. Records.

Subd. 1. Each licensed organization shall keep records of its gross receipts and profits for each bingo occasion. All deductions from gross receipts from a bingo occasion shall be documented with receipts or other records. The distribution of profits shall be itemized as to payee, amount, and date of payment. Recorded required by this ordinance shall be preserved for three years.

Subd. 2. Bingo gross receipts shall be segregated from other revenues of an organization and placed in a separated account. Each organization shall maintain separate records of its bingo operations. The person who accounts for bingo gross receipts and profits shall not be the same person who accounts for other revenue of the licensed organization.

Section 9. Reports.

Subd. 1. Each licensed organization shall report monthly to its membership its gross receipts from bingo, its profits from bingo, and the distribution of those profits itemized as required by Sec. 8. Subd. 1.

Subd. 2. At the time of making its first license application under this ordinance, and on an annual basis thereafter, each licensed organization shall file with the council copies of the following:

- a. The most recently filed department of the treasury, internal revenue service, "Return of Organizations Exempt from Income Tax," Form 990, or a comparable form if the organization is required to file the form with the department of the treasury.

- b. The most recently file department of the treasury, internal revenue service, “Exempt Organization Business Income Tax, “ Form 990-T, or a comparable form if the organization is required to file the form with the department of the treasury.
- c. The most recently filed annual report required of charitable organizations by M.S. 309.53, provided that an organization that is licensed to conduct bingo but is exempt from submitting this report to the department of commerce under Sec. 309.53, Subd. 1(a), shall nevertheless submit such a report under this subdivision.
- d. The most recently filed Minnesota department of commerce “Statement of Bingo Operations.” All information contained in the statement shall be true, correct, and complete to the best of the knowledge of the person or persons signing the statement.
- e. Any lease agreement required by this act, executed by the organization in regard to premises lease for the conduct of bingo.

Subd. 3. No person shall knowingly make a false statement in any report required by this section.

Section 10. Inspection and Investigation.

Subd. 1. Any city official or employee, having a duty to perform with reference to a bingo license, and any police officer may inspect and examine the bingo records of any licensed organization upon 24 hours notice.

Section 11. Use of Bingo Receipts.

No expense shall be incurred or amounts paid in connection with the conduct of bingo, except those reasonably expended for bingo supplies and equipment, prizes, rent, or utilities used during the bingo occasion, bingo license fees, and compensation to person lawfully hired to conduct or assist in conducting a bingo occasion.

Section 12. Use of Bingo Profits.

Profits from any bingo occasion shall be expended only as authorized by a resolution recorded in the official minutes at a regular meeting of the licensed organization and only for one or more of the following purposes:

- a. Benefitting persons by enhancing their opportunity for religious or education advancement, by relieving or protecting them from disease, suffering, or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded.
- b. Initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures.
- c. Lessening the burdens borne by government or voluntarily supporting, augmenting, or supplementing services which government would normally render to the people.

- d. The improving, expanding, maintaining, or repairing of real property owned or leased by the licensed organization.

Profits from bingo occasions shall not be expended for the erection or acquisition of any real property, unless the city council specifically authorizes the expenditures after finding that the property will be used exclusively for one or more of the purposes specified in this section.

Section 13. Exemptions.

Bingo may be conducted without complying with the requirements of Sec. 6, Subds. 5 and 6, and Sec. 7 if conducted: (a) in connection with the county fair conducted by the county agricultural society or in connection with a civic celebration recognized by resolution of the city council, provided that bingo shall not be conducted for more than 12 days during any one county fair or recognized civic celebration, or (b) by an organization that conducts fewer than five bingo occasions in any calendar year.

Subd. 1. Bingo may be conducted without complying with the requirements of Section 6. Subdivision 5 and 6, and Section 7, if conducted in connection with a civic celebration recognized by resolution of the city council, provided that bingo shall not be conducted for more than 12 days during any one recognized civic celebration.

Subd. 2. Bingo may be conducted without complying with the requirements of this ordinance if conducted: (a) by an organization that conducts no more than twelve (12) bingo occasions in any calendar year, or (b) by an organization that conducts bingo for its members during its regular meetings or events.

Section 14. Penalties.

Violation of any provision of this ordinance shall be a misdemeanor. A person convicted of violating any provision of this ordinance shall be subject to a fine of not more than \$300 or imprisonment for a term not to exceed 90 days or both, plus in either case the costs of prosecution.

Section 15. Effective Date.

This ordinance become effective upon its passage and publication according to law.

Passed by the council this 7th day of June, 1977.

Amended by the council this 4th day of May 2010.

Norman Schwarze
Acting Mayor

Attest: Cindy Lindeman
City Clerk