

Presented to the governor May 19, 1989

Signed by the governor May 19, 1989, 11:28 p.m.

CHAPTER 203—S.F.No. 1039

An act relating to charitable gambling; permitting organizations to treat legal expenses as an allowable expense; defining lawful purpose; amending Minnesota Statutes 1988, sections 349.12, subdivision 11; and 349.15.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1988, section 349.12, subdivision 11, is amended to read:

Subd. 11. (a) "Lawful purpose" means one or more of the following: ~~(a)~~ (1) benefiting persons by enhancing their opportunity for religious or educational 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)~~ (2) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; ~~(c)~~ (3) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; or ~~(d)~~ (4) payment of taxes imposed under this chapter, and other taxes imposed by the state or the United States on receipts from lawful gambling.

(b) "Lawful purpose" does not include the erection, acquisition, improvement, expansion, repair, or maintenance of any real property owned or leased by ~~the~~ an organization, unless the board has first specifically authorizes ~~authorized~~ the expenditures after finding: (1) that the property will be used exclusively for one or more of the purposes specified in paragraph (a), clauses (a) (1) to (c) (3); or (2) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; or (3) with respect to expenditures for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance. The board may by rule adopt procedures and standards to administer this subdivision.

Sec. 2. Minnesota Statutes 1988, section 349.15, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

349.15 USE OF PROFITS.

(a) Profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized at a regular meeting of the conducting organization. Provided that no more than 55 percent of profits from bingo, and no more than 45 percent for other forms of lawful gambling, may be expended for necessary allowable expenses related to lawful gambling.

(b) The board shall provide by rule for the administration of this section, including specifying allowable expenses. The rules must specify that no more than one-third of the annual premium on a policy of liability insurance procured by the organization may be taken as an allowable expense from the gross receipts from lawful gambling. This expense shall be allowed by the board only to the extent that it relates directly to the conduct of lawful gambling and is verified in the manner the board prescribes by rule. The rules may provide a maximum percentage of gross receipts which may be expended for certain expenses.

(c) Allowable expenses include reasonable legal fees and damages that relate to the conducting of lawful gambling, except for legal fees or damages incurred in defending the organization against the board, attorney general, United States attorney, commissioner of revenue, or a county or city attorney.

Sec. 3. EFFECTIVE DATE.

Section 2 is effective retroactively to January 1, 1987, and applies to any legal expense incurred after that date.

Presented to the governor May 19, 1989

Signed by the governor May 19, 1989, 11:30 p.m.

CHAPTER 204—S.F.No. 163

An act relating to traffic regulations; regulating U-turns; providing for color and equipment requirements on school buses carrying ten or more persons; establishing conditions under which school bus drivers must activate flashing amber lights; providing for bumper requirements on private passenger vehicles and rear-end protection for other vehicles; providing for strength requirements of wheelchair securement devices; amending Minnesota Statutes 1988, sections 169.19, subdivision 2; 169.44, subdivisions 1a and 2; 169.73; 299A.12; and 299A.13, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1988, section 169.19, subdivision 2, is amended to read:

Subd. 2. **U-TURNS.** No vehicle shall be turned so as to pro-

New language is indicated by underline, deletions by ~~strikeout~~.