

7865.0220 SUSPENSIONS OR REVOCATIONS OF LICENSES OR PERMITS.

Subpart 1. **Factors considered for suspension or revocation of license or premises permit.** In negotiating the terms and length of any suspension or revocation of a license or premises permit issued under Minnesota Statutes, chapter 349, the compliance review group must consider the factors in part 7865.0210, subpart 2, item I, and Minnesota Statutes, section 349.155, subdivision 4.

Any grounds for denial of a license or premises permit are also grounds for suspension or revocation of a license or premises permit.

Subp. 2. **Suspension or revocation of organization license for illegal gambling.** Under Minnesota Statutes, section 349.155, subdivision 4a, paragraph (b), the board must suspend or revoke an organization's license if the organization's chief executive officer, gambling manager, or one or more of its assistant gambling managers participated in or authorized the illegal gambling prohibited by part 7861.0260, subpart 1, item H.

Subp. 3. **Suspension or revocation of premises permit for illegal gambling.** When the board has determined that a violation of part 7861.0260, subpart 1, item H, has occurred based on Minnesota Statutes, section 349.155, subdivision 4a, paragraph (a), clauses (1) and (2), the board must suspend or revoke an organization's premises permit as follows.

A. For the first violation of part 7861.0260, subpart 1, item H, at a site, the board must suspend each premises permit for the site for up to 90 days from the date of the board's final resolution or determination on the violation. An organization may not pay rent for the site during the term of the suspension. When suspending an organization's premises permit, the board must consider the following factors:

(1) whether the organization notified the lessor, in writing, that illegal gambling was being conducted on the premises, giving specific information regarding the conduct of the illegal gambling, and requesting that the lessor take appropriate action;

(2) whether the organization, or any of its agents, knew that the game or device that violated part 7861.0260, subpart 1, item H, was used, or was designed to be capable of being used, in a manner that causes illegal gambling or violates part 7861.0260, subpart 1, item H, or Minnesota Statutes, section 609.75;

(3) the degree to which the organization cooperated with law enforcement authorities, the Department of Public Safety Gambling Enforcement Division, or the board;

(4) whether the organization or any of its agents participated in the illegal gambling; and

(5) the nature or severity of the violation.

B. For the second violation of part 7861.0260, subpart 1, item H, at a site, the board must suspend each premises permit for the site for two years from the date of the

board's final resolution or determination on the violation. An organization may not pay rent for the site during the term of the suspension. If a complete change of ownership occurred between the first and second violations, the second violation is considered a first violation and the board must suspend each premises permit for the site for up to 90 days according to item A and must prohibit any organization from paying rent during the term of the suspension.

C. For the third violation of part 7861.0260, subpart 1, item H, at a site, the board must revoke each premises permit for the site for a minimum period of five years from the date of the board's final resolution or determination on the violation. Revocation must continue until a complete change of ownership occurs after the third violation. No organization may obtain a premises permit for the site during the term of the revocation. If a complete change of ownership occurred between the second and third violations, the third violation is considered a first violation and the board must suspend each premises permit for the site for up to 90 days according to item A and must prohibit any organization from paying rent for the site during the term of the suspension.

If the licensee does not enter into a consent order with the board according to the provisions of this subpart, and part 7865.0210, subpart 2, item I, the suspension or revocation of a premises permit is a contested case under Minnesota Statutes, chapter 14.

Statutory Authority: *MS s 14.055; 349.12; 349.151; 349.154; 349.155; 349.16; 349.162; 349.163; 349.1635; 349.165; 349.166; 349.167; 349.169; 349.17; 349.1711; 349.1721; 349.173; 349.19; 349.191; 349.211*

History: *31 SR 1239; 35 SR 1276*

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