

1 Gambling Control Board

2

3 Adopted Permanent Rules Governing Lawful Gambling

4

5 Rules as Adopted

6 7861.0010 DEFINITIONS.

7 [For text of subps 1 to 3c, see M.R.]

8 Subp. 3d. Immediate family. "Immediate family" means
9 spouse, children, parents, siblings.

10 [For text of subps 4 to 13, see M.R.]

11 7861.0040 PREMISES PERMITS.

12 [For text of subps 1 to 3, see M.R.]

13 Subp. 4. Attachments to application. The following must
14 be attached to the premises permit application:

15 A. A copy of the lease must be submitted. A lease
16 must be on a form prescribed by the board and must contain at a
17 minimum the following information:

18 (1) the name, business address, and telephone
19 number of the lessor;

20 (2) the name, business address, and license
21 number of the licensed organization;

22 (3) the name and street address of the leased
23 premises;

24 (4) the term of the agreement, which must be
25 concurrent with the term of the premises permit, unless
26 terminated sooner by mutual consent of the parties or pursuant
27 to subitem (11);

28 (5) the type of gambling activity to be
29 conducted;

30 (6) the monetary consideration, if any, expressed
31 in terms of number of dollars per month or number of dollars per
32 bingo occasion, whichever is applicable;

33 (7) the dimensions of the leased premises and the
34 total number of square feet leased;

35 (8) the days and hours of each bingo occasion, if

1 any;

2 (9) all obligations between the organization, its
3 employees or agents, and the lessor and its employees or agents;

4 (10) an irrevocable consent from the lessor that:

5 (a) the board and its agents, the
6 commissioners of revenue and public safety and their agents, and
7 law enforcement personnel have access to the permitted premises
8 at any reasonable time during the business hours of the lessor;

9 (b) the organization has access to the
10 permitted premises during any time reasonable and when necessary
11 for the conduct of lawful gambling on the premises;

12 (c) the owner of the premises or the lessor
13 will not manage the conduct of gambling at the premises;

14 (d) the lessor, the lessor's immediate
15 family, and any agents or gambling employees of the lessor will
16 not participate as players in the conduct of lawful gambling on
17 the premises;

18 (11) a clause that provides for the termination
19 of the lease if the premises is the site where illegal gambling
20 has occurred;

21 (12) a clause stating that the lessor shall not
22 modify, terminate, or refuse to renew the lease in whole or in
23 part because the organization reported to a state or local law
24 enforcement authority or the board the occurrence at the site of
25 illegal gambling activity in which the organization did not
26 participate; and

27 (13) any other agreements between the
28 organization and the lessor.

29 B. A copy of the sketch of the floor plan with
30 dimensions showing what portion is being leased and the total
31 square footage.

32 C. A copy of the resolution from the appropriate
33 local unit of government under Minnesota Statutes, section
34 349.213, subdivision 2, approving the premises permit.

35 [For text of subps 5 to 8, see M.R.]

36 Subp. 9. Issuance and denial. The following items apply

1 to the issuance or denial of premises permits:

2 [For text of item A, see M.R.]

3 B. Notwithstanding the provisions of item A, the
4 director shall deny a premises permit application when:

5 (1) the applying organization does not have a
6 licensed gambling manager or person who will be issued a
7 gambling manager's license at the time the premises permit is
8 issued;

9 (2) the applying organization does not have a
10 license to conduct lawful gambling or will not have a license to
11 conduct lawful gambling at the time the premises permit is
12 issued;

13 (3) illegal gambling was conducted at the
14 proposed site within the 90 days immediately preceding the date
15 of the premises permit application, and at a time when no
16 licensed organization had a premises permit for the site;

17 (4) another organization's premises permit for
18 the proposed site is under suspension or revocation pursuant to
19 part 7861.0050; or

20 (5) a prior premises permit for the proposed site
21 would have been subject to suspension or revocation under part
22 7861.0050 and the suspension period or revocation that could
23 have been imposed for that site has not elapsed.

24 [For text of item C, see M.R.]

25 [For text of subp 10, see M.R.]

26 7861.0050 ILLEGAL GAMBLING.

27 Subpart 1. Prohibition. Illegal gambling may not be
28 conducted at a site for which a licensed organization has a
29 premises permit to conduct lawful gambling.

30 Subp. 2. Discipline against license. The board shall
31 suspend or revoke an organization's license if the organization
32 or its agents participated in the illegal gambling prohibited by
33 subpart 1, or knowingly permitted it at a site owned or on
34 premises leased by an organization.

35 Subp. 3. Discipline against premises permit. The

1 suspension or revocation of a premises permit is a contested
2 case under Minnesota Statutes, chapter 14. For violations of
3 subpart 1 which occur after the effective date of this part, the
4 board shall suspend or revoke an organization's premises permit
5 as follows:

6 A. for the first violation of subpart 1 at a site,
7 the board shall suspend each premises permit for the site for a
8 period of 90 days from the date of the board's final resolution
9 or determination on the violation;

10 B. for the second violation of subpart 1 at a site,
11 the board shall suspend each premises permit for the site for a
12 period of two years from the date of the board's final
13 resolution or determination on the violation. If a complete
14 change of ownership of the site occurred between the first and
15 second violations, the second violation is considered a first
16 violation for purposes of this subpart and the board shall
17 suspend each premises permit for the site for a period of 90
18 days; and

19 C. for the third violation of subpart 1 at a site,
20 the board shall revoke each premises permit for the site for a
21 minimum period of five years from the date of the board's final
22 resolution or determination on the violation, which permanent
23 revocation shall continue unless and until a complete change of
24 ownership occurs after the third violation. If a complete
25 change of ownership occurred between the second and third
26 violations, the third violation is considered a first violation
27 for purposes of this subpart and the board shall suspend each
28 premises permit for the site for a period of 90 days from the
29 date of the board's final resolution or determination on the
30 violation.

31 **Subp. 4. Complete change of ownership.** For purposes of
32 this part, the term "complete change of ownership" means that no
33 person or member of the immediate family of the person who, at
34 the time of the prior violation was an owner or lessor of the
35 site or otherwise held a direct or indirect financial interest
36 in the site, is at the time of the subsequent violation an owner

1 or lessor of the site, holds a direct or indirect financial
2 interest of more than five percent in the site, or is a
3 participant in business or employment activity at and for the
4 licensed site. An appropriately recorded contract for deed does
5 not constitute a prohibited direct or indirect financial
6 interest for purposes of this part. The existence of a complete
7 change of ownership is an affirmative defense of an organization
8 that has, or is applying for, a premises permit for the site.

9 7861.0060 CONDUCT OF LAWFUL GAMBLING.

10 [For text of subps 1 to 3, see M.R.]

11 Subp. 4. Posting of information. A licensed organization
12 must prominently post the following information at the permitted
13 premises:

14 A. the name of the licensed organization;

15 B. the license number of the licensed organization
16 and the premises permit number;

17 C. the expiration date of the premises permit;

18 D. the notice of compulsive gambling information
19 which must at a minimum include the toll-free telephone number
20 established by the commissioner of human services for the
21 Minnesota hotline for compulsive gambling;

22 E. a statement, on a form prescribed by the board,
23 that illegal gambling is prohibited; and

24 F. the house rules governing the conduct of gambling
25 at the premises. The sign on which this information is posted
26 must be adequately lighted, legible, and must at at least 18
27 inches by 24 inches in size.

28 [For text of subps 5 to 7, see M.R.]

29 7861.0130 EXCLUDED BINGO AND RAFFLES.

30 [For text of subpart 1, see M.R.]

31 Subp. 2. Restrictions. An organization may not conduct
32 excluded bingo if it has been licensed to conduct lawful
33 gambling in the current calendar year. The director shall deny
34 an excluded bingo application when the premises permit for the
35 site of the proposed excluded bingo is subject to suspension or

1 revocation pursuant to part 7861.0050.

2 The organization conducting lawful gambling must comply
3 with Minnesota Statutes, section 349.166.

4 7861.0140 EXEMPTED LAWFUL GAMBLING.

5 [For text of subps 1 to 3, see M.R.]

6 Subp. 4. **Restrictions.** An organization conducting
7 exempted lawful gambling must comply with Minnesota Statutes,
8 section 349.166, subdivision 2. An organization that is
9 licensed may not receive an exemption permit during the same
10 calendar year it has a license. The director shall deny an
11 exempted lawful gambling application when the premises permit
12 for the site of the proposed exempted lawful gambling is subject
13 to suspension or revocation pursuant to part 7861.0050.

14 7865.0020 SUSPENSIONS OR REVOCATIONS.

15 [For text of subps 1 to 3, see M.R.]

16 Subp. 4. **Additional grounds.** Any grounds for denial of a
17 license are also grounds for suspension or revocation of a
18 license. Any grounds for denial of a premises permit are also
19 grounds for suspension or revocation of a premises permit.

20 [For text of subp 5, see M.R.]