

CHAPTER 7862
GAMBLING CONTROL BOARD
BINGO HALL LICENSES

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Subpart 1. [Repealed, 29 SR 443]

Subp. 2. **License required.** No person, including a licensed organization or a local unit of government, may lease a facility in Minnesota to more than one organization to conduct bingo without a valid bingo hall license. A bingo hall license application must be completed on a form prescribed by the board. An application must be considered by the board pursuant to this part. The board must not issue a bingo hall license to an applicant unless the requirements of Minnesota Statutes, sections 349.155, subdivision 3; and 349.164, subdivision 6, have been met. For purposes of compliance with Minnesota Statutes, section 349.155, subdivision 3, the following definitions apply:

- A. "director" means a member of the applicant's board of directors;
- B. "officer" means any person elected, appointed, or otherwise designated as an officer by the applicant's board of directors; and
- C. "other person in a supervisory or management position" means any person employed to direct or control the personnel and activities of an applicant's department or division.

Subp. 3. [Repealed, 29 SR 443]

Subp. 4. **Restrictions.** For purposes of this subpart, the restrictions apply to the licensee's activities in Minnesota, or while conducting business with organizations authorized to conduct lawful gambling in Minnesota. In addition to the prohibitions contained in Minnesota Statutes, sections 349.155, subdivision 3; and 349.164, subdivision 6, no bingo hall licensee, person holding a financial or managerial interest in a bingo hall, or any agent, affiliate, or employee of a bingo hall licensee may:

- A. be an officer, director, paid employee, or gambling volunteer of a licensed, exempt, or excluded organization in its conduct of lawful gambling, or represent a licensed, exempt, or excluded organization in the purchase of, or influence the purchase of, lawful gambling equipment;
- B. recruit a person to become a gambling manager or an assistant gambling manager, or identify to an organization a person as a candidate to become a gambling manager or assistant gambling manager;
- C. be involved in the procurement of, or influence the procurement of, lawful gambling equipment for an organization which conducts lawful gambling on the licensee's premises;
- D. provide or permit an affiliate or person acting on behalf of the bingo hall licensee to provide any compensation, gift, gratuity, premium, contribution, or thing of value to a gambling control board employee or member of the gambling control board; or
- E. directly or indirectly give gifts, trips, prizes, loans of money, premiums, or other gratuities to gambling organizations, or their employees, other than nominal gifts not to exceed a fair market value of \$25 per organization in a calendar year. "Fair market value" means actual market value or suggested market value, whichever is less. Nothing in this item prohibits a bingo hall licensee or employee of a bingo hall licensee from making a contribution of \$250 or less in any calendar year to an organization, or participating in a fund-raising event for an organization, provided that the contribution or fund-raising event is unrelated to the organization's conduct of lawful gambling.

Subp. 5. [Repealed, 20 SR 2624]

Subp. 6. **Contents of application.** The application must be on a form prescribed by the board and must contain the following information:

A. the complete name of the bingo hall, including any name that the bingo hall may be "doing business as," and the legal nature of the applicant (corporation, firm, partnership, limited liability company, or sole proprietorship);

B. the complete address and telephone number of the bingo hall;

C. the mailing address of the bingo hall if different than the street address;

D. the name of the township and county or city and county in which the bingo hall is located;

E. the names and telephone numbers of the legal owners of the bingo hall;

F. if the bingo hall is owned by an organization, corporation, firm, or partnership, a list of the officers, partners, directors, managers, supervisors, and persons or entities with a direct or indirect financial interest of five percent or more in the applicant;

G. an acknowledgment regarding the restrictions contained in subpart 4;

H. an acknowledgment that a lease agreement between the bingo hall licensee and a lawful gambling organization will specifically identify any goods or services that the organization is required to purchase from the lessor or a third-party vendor, and that all goods and services furnished as part of the lease agreement will be valued at their fair market value;

I. an acknowledgment that the appropriate local unit of government under Minnesota Statutes, section 349.213, subdivision 2, received the license application;

J. the date and signature, in ink, of the chief executive officer; and

K. additional information to properly identify the applicant and to ensure compliance with Minnesota Statutes, sections 349.11 to 349.23, which may be required by the board or executive director.

Subp. 7. **Attachments to application.** The following items must be included as attachments to a bingo hall license application:

A. The bingo hall occasion list, which must be on a form prescribed by the board and which must contain at a minimum the days and hours of all bingo occasions, including starting and ending times, for each organization conducting bingo on the premises.

B. A bingo hall personnel form must be completed by the owners of the bingo hall and, if the bingo hall is owned by an organization, corporation, firm, limited liability company, sole proprietorship, or partnership, by each:

(1) partner;

(2) member of the board of directors or board of governors;

(3) officer, including, but not limited to, president, vice-president, secretary, treasurer, controller, or general counsel;

(4) manager, and/or supervisor of personnel or security; and

(5) person or entity with a direct or indirect financial interest of five percent or more in the applicant.

C. The bingo hall personnel form prescribed by the board must contain the following information:

(1) the complete name and license number, if issued, of the bingo hall;

(2) the complete name, home address, home telephone number, date of birth, and social security number of the individual completing the form;

(3) the individual's position with the bingo hall and a daytime telephone number;

(4) an employment history for the past ten years;

(5) places of residence for the past ten years;

(6) a criminal history statement, except petty misdemeanors;

(7) the name, address, license number, exempt permit number, or exclusion authorization of any organization conducting lawful gambling in Minnesota of which the person is a member;

(8) the Minnesota tax identification number of businesses that the individual has owned for the past ten years;

(9) an acknowledgment regarding the provisions of subpart 4;

(10) the signature, in ink, of the person and the date signed; and

(11) additional information which may be required by the board or executive director to properly identify the person and ensure compliance with Minnesota Statutes, sections 349.11 to 349.23.

D. A copy of the resolution of the local unit of government approving the application as required by Minnesota Statutes, section 349.213, subdivision 2.

Subp. 8. Changes in application information. If any information submitted in the application changes during the term of the license period, the bingo hall applicant or licensee must notify the board and the appropriate local unit of government under Minnesota Statutes, section 349.213, subdivision 2, in writing no later than ten days after the change has taken effect.

Subp. 9. [Repealed, 29 SR 443]

Subp. 10. [Repealed, 29 SR 443]

Subp. 10a. Investigation. Before issuing or renewing a bingo hall license, the board shall conduct or request the director of alcohol and gambling enforcement to conduct a background investigation which may include a review of the applicant's sources of financing, ownership, and organizational structure.

Subp. 11. Issuance and denial. The following items apply to the issuance and denial of bingo hall licenses:

A. The board shall issue a license to a bingo hall that submits the information required by subparts 6 and 7, and pays the fee required by Minnesota Statutes, section 349.164, subdivision 4, and who is eligible to receive a license pursuant to subpart 4, and Minnesota Statutes, section 349.164.

B. The board shall deny the application of a bingo hall ineligible to hold a license pursuant to subpart 4, or Minnesota Statutes, section 349.164.

C. When the board, or director if authorized to act on behalf of the board, determines that a bingo hall license application or renewal application should be denied under Minnesota Statutes, section 349.155, subdivision 3 or 4, the board or director shall promptly give a written notice to the licensee or applicant stating the grounds for the action and give reasonable notice of the rights of the licensee or applicant to request a hearing. A hearing must be held no later than 30 days after the board receives the request for the hearing, unless the licensee or applicant and the board agree on a later date. If no hearing is requested within 30 days of the service of the notice, the denial becomes final. Hearings under this item must be conducted according to Minnesota Statutes, chapter 14. After the hearing, the board may enter an order making the disposition the facts require. If the applicant fails to appear at the hearing after having been notified of it under this item, the applicant is considered in default and the proceeding may be determined against the person on consideration of the written notice of denial, the allegations of which may be considered to be true. All fees accompanying the license or renewal application are considered earned and are not refundable.

Subp. 11a. [Repealed, 29 SR 443]

Subp. 11b. License effective. A new license issued by the board pursuant to this part is effective on the first day of the month after board approval.

Subp. 12. License renewals.

A. To renew a license at the end of a term, a licensee must submit a complete renewal application on a form provided by the board at least 75 days before the expiration of the licensee's existing bingo hall license. A renewal application is not

complete until it contains the information required in subparts 6 and 7, the fee required by Minnesota Statutes, section 349.164, subpart 4, and the proof of local approval required by Minnesota Statutes, section 349.213, subdivision 2. If no changes have occurred to the information required by subpart 7 since the original application was submitted, the applicant may submit an affidavit to the board, on a form prescribed by the board, stating that no changes in the information attached to the original application have occurred.

Complete applications received by the board less than 75 days before the expiration of the applicant's existing license will be considered but, if the applicant is entitled to a renewed license, that renewed license will not be issued until the first day of the month following the expiration of 75 days after the board has received the complete application. A bingo hall shall not continue to operate after the expiration of its license unless and until it receives a renewed license.

B. An application for renewal of a bingo hall license must be denied by the board if:

(1) the applicant is ineligible for a license pursuant to this part or Minnesota Statutes, section 349.164;

(2) the proposed bingo hall site is a site where illegal gambling has occurred within the last 12 months; or

(3) the application remains incomplete for more than 90 days after its initial submission.

C. An applicant that the board determines has failed to submit a complete renewal application at least 75 days before the expiration of an existing bingo hall license may appeal that determination by filing a written request for a contested case hearing with the board before the expiration of the existing bingo hall license. The director shall schedule a contested case hearing before an administrative law judge pursuant to Minnesota Statutes, chapter 14. The hearing must be held less than 30 days after the service of a Notice and Order for Hearing if allowed by the chief administrative law judge pursuant to part 1400.5600, subpart 3. The board must issue its final decision within 30 days after receipt of the administrative law judge's report and subsequent exceptions and argument under Minnesota Statutes, section 14.61. The sole issue at the hearing is whether the applicant submitted a complete application at least 75 days before the expiration of the applicant's existing license.

Subp. 13. Records and reports required. Each bingo hall licensee shall maintain and preserve for at least 3-1/2 years records of all money it receives from organizations conducting lawful gambling on its premises. These records must be made available to the board upon demand and include, at a minimum, the following information:

A. a report of the days and times of all bingo occasions held at the bingo hall and the names of the organizations that conducted the occasions;

B. all payments received by the bingo hall licensee from organizations that rent the bingo hall for the conduct of lawful gambling bingo occasions; and

C. any and all other money received from organizations that conduct lawful gambling.

Statutory Authority: *MS s 349.151*

History: *16 SR 2116; 20 SR 2624; L 1997 c 129 art 2 s 15; 29 SR 443*