

**7861.0220 LICENSED ORGANIZATION.**

Subpart 1. **Organization license required.** An organization may not conduct lawful gambling unless it has received a license issued by the board. The license, when issued, is not transferable from one organization to another.

Subp. 2. **Organization licensing qualifications.** In addition to the qualifications in Minnesota Statutes, sections 349.155, subdivision 3, and 349.16, subdivision 2, an organization does not qualify for a license if:

A. an organization that has not been licensed to conduct lawful gambling within the preceding 12 months and its current chief executive officer and a person who will be its gambling manager have not completed a gambling manager seminar within the last six months;

B. the organization has not established a permanent location in Minnesota where the gambling records required by this chapter will be kept and has not established a gambling bank account within Minnesota;

C. the organization's conduct of lawful gambling is or would be inconsistent with Minnesota Statutes, sections 349.11 to 349.23, as indicated by lack of financial responsibility, demonstrated lack of control of lawful gambling, or incomplete consent order or termination plan requirements;

D. the organization does not have a gambling manager who will be licensed by the board when the organization obtains its license; and

E. the organization will not obtain at least one premises permit when the organization obtains its license.

Subp. 3. **Contents of organization license application.** The application must contain the following organization information:

A. legal name and any other names used;

B. business address and telephone number;

C. Minnesota tax identification number and federal employer identification number;

D. names, titles, dates of birth, and daytime telephone numbers of the chief executive officer and treasurer;

E. home address of the chief executive officer;

F. a designation of whether the organization is a fraternal, veterans, religious, or other nonprofit organization and the number of years the organization has existed;

G. number of active members;

H. day and time of regular meetings;

I. acknowledgment that the organization will file a license termination plan if the organization terminates lawful gambling;

J. for a 501(c)(3) organization or 501(c)(4) festival organization that chooses to make lawful purpose contributions to itself, an acknowledgment regarding the provisions of part 7861.0320, subpart 14; and

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

Subp. 4. **Attachments to organization license application.** The organization must attach the following to the application:

A. proof of Internal Revenue Service income tax exempt status or current certificate of nonprofit status from the Minnesota secretary of state. If the organization is a 501(c)(3) organization or 501(c)(4) festival organization, the organization must attach documentation from the Internal Revenue Service showing proof of its income tax exempt status;

B. copy of a charter of the parent organization, if chartered;

C. registration for each employee receiving compensation for the conduct of lawful gambling, in a format prescribed by the board;

D. membership list, signed by the organization's chief executive officer, with the first and last names of at least 15 active members as defined in Minnesota Statutes, section 349.12, subdivision 2, and date of membership;

E. affidavit of the chief executive officer and treasurer, in a format prescribed by the board;

F. for a 501(c)(3) organization or 501(c)(4) festival organization that chooses to make lawful purpose contributions to itself, a copy of the organization's annual report on income and expenses provided to the Internal Revenue Service, or in a format prescribed by the board; and

G. a copy of the organization's by-laws, signed by the organization's chief executive officer.

Subp. 5. **Changes in organization license application information.** If any information submitted in the application changes, the organization must notify the board within ten days of the change.

Subp. 6. **Issuing or denying an organization license.** The following items apply to an organization license issued or denied by the board.

- A. The board must issue a license to an organization that:
  - (1) submits the information required in the application and application attachments;
  - (2) pays the fee required by Minnesota Statutes, section 349.16, subdivision 6; and
  - (3) is eligible to receive a license under subpart 2. The license must be issued at the same time as any premises permits when the organization is applying for a license.
- B. The board must deny the application if an organization:
  - (1) is ineligible under subpart 2; and
  - (2) failed to submit all information required by subparts 3 and 4 and the application has remained incomplete for more than 90 days after it was received by the board.

When the board determines that an application should be denied, the board must promptly give a written notice to the organization. The notice must contain the grounds for the action and reasonable notice of the rights of the organization to request an appeal under part 7865.0260, subpart 2.

C. All fees submitted with a license application are considered earned and are not refundable.

Subp. 7. **Effective date for organization license.** An organization license is effective on the first day of the month or as otherwise determined by the board.

Subp. 8. **Termination of organization license.** If an organization voluntarily or involuntarily terminates all of its gambling activities, it must submit a license termination plan to the board for approval on a form prescribed by the board. The board must require the organization to revise the plan if it does not meet with board approval. The plan must include but is not limited to the following information upon which board approval must be based:

- A. documentation that provides information on how the organization will expend all remaining funds in the gambling account for lawful expenditures;
- B. documentation of the return or disposal of all unused gambling equipment in the possession of the organization; and
- C. an acknowledgment by the organization that it will resolve any pending compliance issues as noted in the termination plan as approved by the board as a condition of license reapplication in the future.

**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*

**Published Electronically:** *April 7, 2011*