

Section 550 – Licensing and Regulating the Conduct of Bingo

Section 550:00. Purpose. The purpose of this ordinance is to closely regulate and control the conduct of the game of bingo and to prohibit commercialization of bingo.

Section 550:02. Definitions. Whenever the following terms appear in this ordinance, they shall have the meanings assigned to them in this section.

Subd. 1. “Active member”. A member of the organization requesting a license whose dues are paid for the current membership period and who has been a member for at least six months.

Subd. 2. “Bingo”. A game where each player has a card or board for which a consideration has been paid, containing five horizontal rows of spaces, with each row except the central one containing five figures. The central row has four figures with the word “free” marked in the center space thereof. A player wins a game of bingo by completing any pre-announced combination of spaces or, in the absence of a pre-announcement of a combination of spaces, any combination of five spaces in a row, either vertical, horizontal, or diagonal.

Subd. 3. “Bingo occasion”. A single gathering or session at which a series of one or more successive bingo games is played.

Subd. 4. “Eligible organization”. Any fraternal, religious, veterans or other nonprofit organization which has been in existence for at least three years and has at least 30 active members.

Subd. 5. “Profit”. The gross receipts collected from our or more bingo occasions less reasonable sums necessarily and actually expended for bingo supplies and equipment, prizes, rent, and utilities used during the bingo occasions, bingo license fees, and compensation to persons lawfully hired to conduct or assist in conducting a bingo occasion.

Section 550:04. License Required.

Subd. 1. Bingo occasion conducted. No bingo occasion shall be conducted except by an eligible organization which has secured a license for that purpose, as provided in this ordinance.

Subd. 2. License valid. A license shall be valid for twelve calendar months from the date of issuance.

Subd. 3. Fees. The annual license fee shall be \$10.00.

Subd. 4. Council action. A license application shall be acted upon by the Council no sooner than 30 days and no later than 180 days after the date of application. Failure of the Council to act on said application shall be deemed a denial of such license.

Subd. 5. Transferred. No bingo license issued may be transferred to any other person or organization. No bingo license shall be transferred to any location other than the location specified in the license, without prior approval by the Council.

Section 550:06. License Applications. Every application for a bingo license shall be made to the City Clerk-Treasurer on a form supplied by the City and containing such information as the City Clerk-Treasurer or the Council may require. No person shall make a false statement in an application. Copies of each application shall be referred to the City's Police Chief, Fire Chief, and Building inspector, for their recommendations.

Section 550:08. Suspension or Revocation. The Council may suspend for a period not exceeding 60 days, or revoke, any bingo license for violation of any provision of M.S. Chapter 349 or this Ordinance. The holder of the license shall be granted a hearing upon at least 10 days' notice before re vocation or suspension is ordered. The notice shall state the time and place of the hearing and the nature of the charge against the licensee.

Section 550:10. Conduct of Bingo.

Subd. 1. Bingo Manager. Each licensed organization shall appoint a bingo manager to supervise bingo occasions conducted by it. The bingo manager must be a member of the licensed organization, with dues paid for the current membership period, and must have been a member of the organization for at least two years. The bingo manager shall give a fidelity bond in the sum of \$10,000.00 in favor of the organization conditioned on the faithful performance of his or her duties, except that the City Council may waive the bond requirement upon a showing by the proposed bingo manager and the licensed organization that the bond is not required to protect the organization and upon a unanimous vote of the City Council. Terms of the bond shall provide that notice shall be given in writing to the City Council not less than 30 days prior to its cancellation. Each bingo manager shall be responsible for the conduct of the bingo occasion in compliance with all applicable laws and ordinances. No person shall act as bingo manager for more than one organization.

Subd. 2. Checkers. One or more checkers shall be engaged for each bingo occasion. The checkers shall be active members of the licensed organization or spouses of active members of the licensed organization. The checker or checkers shall record the number of cards purchased and played in each game prior to the compliance of each game and record the prized awarded to the recorded cards. Each checker shall verify all figures which he or she has recorded as accurate and correct to the best of his or her knowledge, on forms prescribed by the City Clerk-Treasurer.

Subd. 3. Other duties. Additional persons may be engaged for other duties in connection with bingo occasions as needed, but no person shall assist in the conduct of a bingo occasion who is not an active member of the licensed organization, or the spouse of an active member of the licensed organization.

Subd. 4. Pay. No person shall receive more than \$12.00 as compensation for any duties in connection with any one bingo occasion.

Subd. 5. Number of bingo occasions. No more than 104 bingo occasions each year or two bingo occasions each week shall be conducted by any licensed organization.

Subd. 6. Time. A bingo occasion shall not continue for more than four consecutive hours.

Section 550:12. Bingo on Leased Premises.

Subd. 1. Bingo occasion conducted. Any person, corporation, or eligible organization, which leases any premises that it owns to two or more eligible organizations for purposes including the conduct of bingo occasions, shall not allow more than four bingo occasions to be conducted on the premises in any week.

Subd. 2. Rental. Any eligible organization which leases any premises to one or more other eligible organizations for purposes including the conduct of bingo occasions shall use the proceeds of the rental, less reasonable sums for maintenance, furnishings and other necessary expenses, only for the uses for which bingo profits may be used, as set out in section 550:24 of this ordinance. Not less than once each year the lessor organization shall report to the City Council the disposition of all receipts which it has received during the reporting period from the rental of its facilities to other organizations for purposes including the conduct of bingo occasions.

Subd. 3. Written Lease. No eligible organization shall conduct bingo on any leased premises without a written lease for a term at least equal to the remainder of the term of the bingo license of the lessee organization. Lease payments shall be at a fixed monthly rate or rate per bingo occasion, but subject to change during the term of the lease. No such lease shall provide that rental payments be based on a percentage of receipts or profits from bingo occasions.

Section 550:14. Prizes.

Subd. 1. Cost of prizes. Prizes for a single bingo game shall not exceed \$100.00 except prizes for a game of the type commonly known as a "cover-all" game. "Cover-all" prizes may exceed \$100.00 provided that the aggregate value of such prizes for a bingo occasion shall not exceed \$500.00. The aggregate value of prizes for a bingo occasion shall not exceed \$2,500.00 except that in the case of a bingo occasion during which a "cover-all" game is played for a maximum prize of more than \$100.00 but less than \$500.00, the aggregate value of prizes for the bingo occasion shall not exceed \$5,000.00. The aggregate value of all bingo prizes shall be valued at fair market retail value.

Subd. 2. Bingo Winner. Each bingo winner shall be determined and every prize shall be awarded and delivered on the same day on which the bingo occasion is conducted.

Section 550:16. Records.

Subd. 1. Receipts and profits. Each licensed organization shall keep records of its gross receipts and profits for each bingo occasion. All deductions from gross receipts from a bingo occasion shall be documented with receipts or other records. The distribution of profits shall be itemized as to payee, amount, and date of payment. Records required by this ordinance shall be preserved for three years.

Subd. 2. Gross receipts/checkers records. Gross receipts shall be compared to the checkers records for the bingo occasion by a person who did not sell cards for the bingo occasion. If a discrepancy exceeding \$20.00 is found between the amounts of gross receipts for a bingo occasion as determined by totaling the cash receipts, the discrepancy shall be reported to and investigated by the Council.

Subd. 3. Separate records. Bingo gross receipts shall be segregated from other revenues of an organization and placed in a separate account. Each organization shall maintain separate records of its bingo operations. The person who accounts for bingo gross receipts and profits shall not be the same person who accounts for other revenues of the licensed organization.

Section 550:18. Reports.

Subd. 1. Monthly reports. Each licensed organization shall report monthly to its membership its gross receipts from bingo, its profits from bingo and the distribution of those profits itemized as required by Section 550:16, Subd. 1.

Subd. 2. File with the Council. At the time of making its first license application under this ordinance, and on an annual basis thereafter, each licensed organization shall file with the Council copies of the following:

- A. The most recently filed department of the treasury, internal revenue service, “Return of organization exempt from income tax,” form 990, or a comparable form if the organization is required to file the form with the department of treasury.
- B. The most recently filed department of the treasury, internal revenue service, “Exempt Organization business income tax,” form 990-T, or a comparable form if the organization is required to file the form with the department of treasury.
- C. The most recent filed annual report required of charitable organization by M.S. 309.53, provided that an organization that is licensed to conduct bingo but is exempt from submitting this report to the department of commerce under section 309.53, Subd. 1A, shall nevertheless submit such report under this subdivision.
- D. The most recently filed Minnesota department of commerce “statement of bingo operations.” All information contained in the statement shall be true, correct, and complete to the best of the knowledge of the person or persons signing the statement.

E. Any lease agreements required by this act, executed by the organization in regard to premises leased for the conduct of bingo.

Subd. 3. False statement. No person shall knowingly make a false statement in any report required by this section.

Section 550:20. Inspection and Investigation. Any City official or employee, having a duty to perform with reference to a bingo license and any police officer may inspect and examine the bingo records of any licensed organization upon 24 hours' notice.

Section 550:22. Use of Bingo Receipts. No expense shall be incurred or amounts paid in connection with the conduct of bingo, except those reasonably expended for bingo supplies and equipment, prizes, rent, or utilities used during the bingo occasion, bingo license fees, and compensation to persons lawfully hired to conduct or assist in conducting a bingo occasion.

Section 550:24. Use of Bingo Profits. Profits from any bingo occasion shall be expended only as authorized by a resolution recorded in the official minutes at a regular meeting of the licensed organization and only for one or more of the following purposes:

- A. 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. Initiating, performing, or fostering worthy public works of enabling or furthering the erection or maintenance of public structures.
- C. Lessening the burdens borne by government or voluntarily supporting, augmenting, or supplementing services which the government would normally render to the people.
- D. The improving, expanding, maintaining, or repairing of real property owned or leased by the licensed organization.

Profits from bingo occasions shall not be expended for the erection or acquisition of any real property, unless the City Council specifically authorized the expenditure after finding that the property will be used exclusively for one or more of the purposes specific in this section.

Section 550:26. Exemptions. Bingo may be conducted without complying with the requirements of Section 550:10, Subd. 5 and 6, and Section 550:12 if conducted:

- A. In connection with a civic celebration recognized by resolution of the City Council, provided that bingo shall not be conducted for more than 12 days during any one recognized civic celebration, or

- B. By an organization that conducts fewer than five bingo occasions in any calendar year.

Section 550:28. Penalties. Violation of any provision of this ordinance shall be a misdemeanor. A person convicted of violating any provision of this ordinance shall be subject to a fine of not more than \$300.00 or imprisonment for a term not to exceed 90 days or both, plus in either case the costs of prosecution.

Section 550:30. Effective Date. This ordinance becomes effective upon its passage and publication according to law.

Sections 550:00, 550:02, 550:04, 550:06, 550:08, 550:10, 550:12, 550:14, 550:16, 550:18, 550:20, 550:22, 550:24, 550:26, 550:28, and 550:30 were added to the 1974 Ordinance Code of Foley by Ordinance Number 180, effective November 17, 1981.