

MINNESOTA GAMBLING CONTROL BOARD
Board Meeting – October 17, 2011

TRANSFER OF GAMBLING FUNDS TO ORGANIZATION ACCOUNT.

Minnesota Rules 7861.0320, subpart 4E. Gambling funds may not be transferred to the organization's general bank accounts for any expenditures without Board approval.

EXHIBIT A: Approved. - None

EXHIBIT B: Denied - None.

REPAIR, MAINTAIN OR IMPROVE REAL PROPERTY AND CAPITAL ASSETS USED EXTENSIVELY AS MEETING PLACE OR EVENT LOCATION OR USED TO BECOME COMPLIANT WITH ADA - REPLACEMENT BLDG (LG269).

Minnesota Statutes, section 349.12, subdivision 25(a)(22) An expenditure for the repair, maintenance, or improvement of real property and capital assets owned by an organization, or for the replacement of a capital asset that can no longer be repaired, with a fiscal year limit of five percent of gross profits from the previous fiscal year, with no carry forward of unused allowances. The fiscal year is July 1 through June 30. Total expenditures for the fiscal year may not exceed the limit unless the **board has specifically approved the expenditures that exceed the limit due to extenuating circumstances beyond the organization's control.** An expansion of a building or bar-related expenditures are not allowed under this provision. (i) The expenditure must be related to the portion of the real property or capital asset that must be made available for use free of any charge to other nonprofit organizations, community groups, service groups, or is used for the organization's primary mission or headquarters. (ii) An expenditure may be made to bring an existing building that the organization owns into compliance with the Americans with Disabilities Act.

EXHIBIT C: Approved.

- **License 00332**, American Legion Post 527, St. Michael, \$36,043.32. Interest costs on a loan related to a previously approved project.

EXHIBIT D: Denied. - None

FOR A BUILDING OWNED BY THE ORGANIZATION THAT WAS DESTROYED OR MADE UNINHABITABLE BY FIRE OR CATASTROPHE (LG262)

Minnesota Statutes 349.12, subdivision 25(a)(25) "With respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or catastrophe, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance."

EXHIBIT E: Approved – None.

EXHIBIT F: Denied - None.

REPLACEMENT OF BUILDING TAKEN OR SOLD UNDER EMINENT DOMAIN PROCEEDING (LG263)

Minnesota Statutes, section 349.12, subdivision 25(a)(25) An expenditure, including a mortgage payment or other debt service payment, for the erection or acquisition of a comparable building to replace an organization-owned building that was taken or sold under an eminent domain proceeding. The expenditure may be only for that part of the replacement cost not reimbursed by insurance or compensation not received from a governmental unit under the eminent domain proceeding, if the board has first specifically authorized the expenditure.

EXHIBIT G: Approved - None.

EXHIBIT H: Denied - None.

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ACQUISITION OR IMPROVEMENT OF CAPITAL ASSETS OR ACQUISITION, ERECTION, EXPANSION, OR IMPROVEMENT OF REAL PROPERTY THAT WILL BE USED EXCLUSIVELY FOR LAWFUL PURPOSE (LG266)

Minnesota Statutes, Section 349.12, subdivision 25(a) (23) or (24)

(23) An expenditure for the acquisition or improvement of a capital asset with a cost greater than \$2,000, excluding real property, that will be used exclusively for lawful purposes under this section if the board has specifically approved the amount;

(24) an expenditure for the acquisition, erection, improvement, or expansion of real property, if the board has first specifically authorized the expenditure after finding that the real property will be used exclusively for lawful purpose under this section.

EXHIBIT I: Approved.

- **License 01248**, American Legion Post 269, Madison Lake, \$8,954.27. Recreational, community, and athletic facilities and activities intended primarily for persons under 21.
- **License 02327**, Northern Pine Riders, Willow River, \$113,401.04. Acquire snowmobile trail groomer to groom trails that are grant-in-aid or public use.
- **License 02974**, North Country Trail Busters, Fort Ripley, \$14,055.04. Acquire a 9 foot front blade for John Deere groomer.
- **License 05012**, International Voyagers Snowmobile Club, International Falls, \$48,609.12. Acquire e sets of tracks for groomers to groom snowmobile trails that are grant-in-aid or public use. Includes interest on a loan.

EXHIBIT J: Denied.

- **License 32323**, Gaylord Game Protection League, Gaylord. \$3,200.00. To install sidewalk for clubhouse to shooting range. The erection/acquisition/improvement will not be used exclusively for lawful purpose as defined in MN Statutes, section 349.12, subd. 25(a).

CONTRIBUTION OF GAMBLING FUNDS TO ANOTHER LICENSED GAMBLING ORGANIZATION (LG270).

Minnesota Statutes, section 349.12, subdivision 25(a)(20). A contribution by a licensed organization to another licensed organization with prior board approval, with the contribution designated to be used for one or more of the follow lawful purposes under this section: clauses (1) to (7), (11) to (15), (19), and (25).

EXHIBIT K: Approved.

FROM: **License 00655**, Vadnais Heights Lions Club, \$2,000.00. Poverty, homelessness, or disability.

TO: **License 00264**, Merrick Inc., Vadnais Heights.

FROM: **License 01038**, Eagles Aerie 2469, Grand Rapids, \$1392.77. Contribution to a 501(c)3 organization.

TO: **License 02682**, Grand Rapids Amateur Hockey Association, Grand Rapids.

FROM: **License 01038**, Eagles Aerie 2469, Grand Rapids, \$1,000.00. Contribution to a 501(c)3 organization.

TO: **License 01693**, Moose-Willow Sportsman's Club, Hill City.

FROM: **License 05379**, Millville Sportsman's Club, \$1000.00. Contribution to a 501(c)3 organization.

TO: **License 92538**, Bulldog Quarterback Club, Plainview.

DIRECTOR: Delegated Approvals (LG270)

FROM: **License 92581**, Veseli Area Lions Club, \$500. Activities intended primarily for persons under age 21.

TO: **License 02111**, New Prague Area Hockey Association.

EXHIBIT L: Denied – None.

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FUND LOSS REQUEST (PROFIT CARRYOVER ADJUSTMENT) (LG250).

7861.0320 ORGANIZATION OPERATIONS, ACCOUNTS, AND REPORTS, Subp. 9. Fund loss report or request for a profit carryover adjustment due to fund loss. When an organization has a fund loss by questionable means of its inventory or cash, the organization must use the following procedures. A. The organization must file a report with local law enforcement authorities within: (1) five days of discovering the loss; or (2) 24 hours of discovering a loss from a pull-tab dispensing device. B. The organization must submit one of the following to the board within 60 days of discovering the loss: (1) documentation that its gambling account was reimbursed for the amount of the fund loss from a source of nongambling funds and the date the loss was reported to the organization's membership; or (2) a request for a profit carryover adjustment due to a fund loss. If the organization does not submit the request within 60 days of discovering the loss, the board will not consider the request. E. If the board denies a request for a profit carryover adjustment due to a fund loss, the organization must reimburse its gambling account for the amount of the fund loss. The organization must submit proof of reimbursement to the board within 90 days of the board's final determination.

EXHIBIT M: Approved.

- **License 02994-016**, Washburn Amateur Hockey Association, \$4,312.00. Burglary.
- **License 03601-003**, Buhl Fire Relief Association, Buhl, \$585.00. Burglary.

EXHIBIT N: Denied.

- **License 00131-002**, American Legion Post 225, Forest Lake, \$120. Counterfeit bills. Bills were noticeable at the end of the shift when counted, should have been noticed when taken in.
- **License 01288-003**, Evansville Fire Relief Association, Evansville, \$1,929.00. Missing games. The organization was unable to determine how the game was stolen. The organization was unable to adequately account for the circumstances causing the deals to be missing.
- **License 04435-002**, Hill Murray Mother's Club, Maplewood, \$140.00. Counterfeit bills. If one seller could tell they were counterfeit, the one who took the bills should have been able to.
- **License 03626-007**, Rochester Juvenile Hockey, \$2,509.00. Theft. (Tabled at the Board meeting of September 19, 2011.)

TO APPLY AMOUNT APPROVED BY THE BOARD TO BRING EXISTING BUILDINGS INTO COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT TOWARDS THE ERECTION OR ACQUISITION OF A REPLACEMENT BUILDING THAT IS IN COMPLIANCE WITH THE AMERICAN WITH DISABILITIES ACT (LG268).

Minnesota Statutes 349.12, subdivision 25(a)(22)(ii) An expenditure may be made to bring an existing building that the organization owns into compliance with the Americans with Disabilities Act. (iii) An organization may apply the amount that is allowed under item (ii) to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act if the board has specifically approved the amount. The cost of the erection or acquisition of a replacement building may not be made from gambling proceeds, except for the portion allowed under this item.

EXHIBIT O: Approved - None.

EXHIBIT P: Denied – None.

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LICENSE TERMINATION PLANS.

Minnesota Statutes 349.19, subdivision 8 Upon termination of a license, a licensed organization must notify the board in writing within 30 calendar days of the license termination date of its plan for disposal of registered gambling equipment and distribution of remaining gambling proceeds. Before implementation, a plan must be approved by the board. The board may accept or reject a plan and order submission of a new plan or amend a proposed plan. The board may specify a time for submission of new or amended plans or for completion of an accepted plan.

EXHIBIT Q: Approved.

- **License 01819**, De La Salle High School, \$0. Approved with modified annual audit language.
- **License 02224**, Sexual Assault Program of North St. Louis County, Virginia, \$20,532.66. Approved with modified profit carryover variance and tax refund language.
- **License 02229**, Veseli Jaycees, \$10,689.21. Approved with modified tax refund language.
- **License 02589**, West Side Booster Club, St. Paul, \$3,329.61. Approved with modified tax refund and annual audit language.
- **License 03140**, Voiture 1436 40/8, Roseau, \$971.18. Approved with modified inventory and tax refund language.

EXHIBIT R: Denied: – None.

NEW GAMES SUBMITTED BY MANUFACTURERS.

EXHIBIT S: Approved.

EXHIBIT T: Denied - None.

LICENSES FOR DISTRIBUTORS, MANUFACTURERS, AND LINKED BINGO GAME PROVIDERS.

EXHIBIT U: Approved.

- **APPLICATION FOR LINKED BINGO GAME PROVIDER LICENSE - None.**
- **APPLICATION FOR MANUFACTURER LICENSE RENEWAL – None**
- **APPLICATION FOR DISTRIBUTOR LICENSE RENEWAL – None.**

EXHIBIT V: Denied – None.

RULE VARIANCE REQUEST (LG251)

A person or licensee may request a variance from a rule governing lawful gambling, according to procedures outlined in Minnesota Rules 7865.0050

EXHIBIT W: Approved – None.

EXHIBIT X: Denied – None.

MINNESOTA GAMBLING CONTROL BOARD
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REQUEST FOR ALTERNATIVE METHOD OF SELECTING RAFFLE WINNERS

EXHIBIT Y: Approved – None.

EXHIBIT Y: Denied - None.

NEW BUSINESS

Board meeting dates for January – June 2012

- Tuesday January 17, 2012
- Tuesday February 21, 2012
- Monday March 19, 2012
- Monday April 16, 2012
- Monday May 21, 2012
- Monday June 18, 2012

This concludes the summary of actions taken by
the Minnesota Gambling Control Board at its meeting of Monday October 17, 2011.