

**MINNESOTA GAMBLING CONTROL BOARD**  
**BOARD ACTIONS**  
May 20, 2024

**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 –

- **License 93544**, Lakeville South Clay Target Team, Lakeville, \$3,000, Repay start up loan.

Exhibit B:       Denied –

- License **02944**, Minneapolis Hockey Association Inc., Minneapolis, \$15,000, Does not qualify for an emergency loan.

**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 00530**, American Legion Post 178, Milaca, \$25,000. Pave and re-stripe parking lot. Cost over-runs. (Previous amount approved did not take into account the poor condition of the soil underneath the old parking lot. Post funds will be used to cover the portion over this amount.)
- **License 00136**, American Legion Post 98, St. Paul Park, \$24,000. Purchase and install a new HVAC unit. Includes disposal of the old unit.
- **License 00008**, VFW Post 1676, Detroit Lakes, \$52,212.71. Bring kitchen up to code and purchase new kitchen equipment. (Kitchen used by other non-profits free of charge.)
- **License 00236**, American Legion Post 54, Red Wing, \$15,500. Roof repairs needed on leaking roof.
- **License 00404**, VFW Post 2793, Thief River Falls, \$21,820. Replace a portion of the parking lot as well as sealing and striping the entire lot.
- **License 00417**, American Legion Post 132, New Ulm, \$4,150. Repairs from fire damage not covered by insurance.

- **License 00417**, American Legion Post 132, New Ulm, \$10,765.85 Refrigerator repair and replacement after repair failed. (Kitchen used by other non-profits free of charge.)
- **License 00454**, VFW Post 4847 East St. Cloud, St. Cloud, \$49,750. Remove and replace the leaking sprinkler system in the attic with new pipes and sprinkler heads.
- **License 00477**, VFW Post 1656, Madison, \$12,215.00 Replace the existing heating/cooling roof unit for the banquet/bingo hall with a new one. (Bar unit is paid by non-gambling funds)
- **License 00507**, American Legion Post 21, Moorhead, \$154,320.00 Remove deteriorating asphalt, pave the lot with new asphalt and re-stripe parking lot.

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.

**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 34879**, Baxter Snowmobile Club, Baxter, \$174,868. Purchase a tractor, loader and Mattracks used to groom and maintain trails that are open to the public. (Signed by DNR 4/4/2024)
- **License 06932**, Ridge Runners Snowmobile Club, Inc, Northome, \$3,000. Purchase a welder used to maintain equipment that is used to maintain grant-in-aid trails. (Signed by DNR)

- **License 02926**, Anoka Area Ice Arena Assoc, Anoka, \$59,924.73 Purchase and install a new sound system for youth hockey arena.
- **License 92996**, Bagley Youth Hockey Association, Bagley. \$9,218.19. Repair original bathroom stalls. Upgrade them to be private stalls for youth hockey group.
- **License 93266**, Farming Baseball Club, Inc., Richmond, \$31,482.00 Removed old fencing and replace with new fence on little league field.

Exhibit J: Denied: None.

**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 34025**, Santiago Lions Club Inc, Clear Lake, \$2,000. A contribution to a 501 (c)(3) organization. (Camperships)

TO: **License 00691**, Camp Confidence Learning Center, East Gull Lake.

FROM: **License 00449**, Eagles Aerie 873, Crookston, \$3,500. A contribution to a 501 (c)(3) organization. (Equipment)

TO: **License 34918**, Crookston Firefighters Association, Crookston.

FROM: **License 00586**, American Legion Post 167, Willmar, \$8,800. A contribution to recreational, community, and athletic facilities intended for youth. (Expenses and equipment.)

TO: **License 95212**, Willmar Baseball Boosters Assoc, Willmar.

FROM: **License 33641**, Cokato Firefighters Relief Assoc, Cokato, \$3,920. A contribution to a 501 (c)(3) organization. (Equipment)

TO: **License 33878**, Dassel Firemens Relief Assoc, Dassel.

**Executive Director: Delegated Approvals for Request to Contribute Gambling Funds to Another Licensed Gambling Organization (LG270):**

FROM: **License 00872**, Elks Lodge 1166, Faribault, \$250. A contribution to recreational, community, and athletic facilities intended for youth. (After prom donation.)

TO: **License 01795**, Bethlehem Academy Corporation, Faribault.

FROM: **License 01038**, Eagles Aerie 2469, Grand Rapids \$200. A contribution to recognition of military service or active military personnel in need. (Veterans Trip.)

TO: **License 00356**, VFW Post 1720, Grand Rapids.

FROM: **License 02539**, Optimist Club of St. Cloud, St. Cloud, \$330. A contribution to recreational, community, and athletic facilities intended for youth. (Offset youth soccer expenses.)

TO: **License 94712**, Central Minnesota Youth Soccer Association, St. Cloud.

Exhibit L: Denied: None.

**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 01888-013**, Sturgeon Lake Lions Club, Sturgeon Lake, \$500.00 Burglary. (Rec'd 1/19/2024)

Exhibit N:       Denied –

- **License 03129-003**, Cannon Falls Fire Dept Relief Assoc, Cannon Falls, \$865.00 Theft. Denied due to lack of security over cash inventory within the premises, the seller left the cash drawer unlocked and unattended. (Rec'd 10/13/2023)
- **License 02355-003**, Leaf Valley Game and Fish Conservation Club, Miliona, \$3,660.00 Unknown cash theft. Denied due to internal control procedures were not satisfactory, lack of security over cash and inventory within premises, the storage of cash in office without further locked security over the money is inadequate protection of the cash, the org failed to maintain adequate safeguards over its gambling funds. (Rec'd 1/26/2024)
- **License 01698-009**, St Paul Capitals Hockey Assoc, St. Paul, \$2,289.00 Burglary. Denied due to internal control procedures were not satisfactory, the organization failed to maintain and use internal control procedures that provide accountability over its cash assets at all times, lack of security over cash and inventory within premises, procedures were not followed to secure funds, the organization failed to maintain adequate safeguards over gambling funds, losing possession or and security over cash assets of the org is a lack of control over assets. (Rec'd 1/17/2023)
- **License 92380-008**, Ducks Unlimited Frozen North Chapter 271, Deerwood, \$17,183.75. Illegal Employee Play/Theft. Denied due to internal control procedures were not satisfactory, the organization failed to maintain and use internal control procedures that provide accountability over its cash assets at all times, lack of security over cash and inventory within premises, the organization failed to maintain adequate safeguards over gambling funds, losing possession or and security over cash assets of the org is a lack of control over assets. (Rec'd 12/7/2023)

**TO APPLY APPROVED AMOUNT FOR THE REPAIR, MAINTENANCE, OR IMPROVEMENT OF REAL PROPERTY TOWARD A REPLACEMENT BUILDING THAT IS ADA COMPLIANT (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.

**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: None.  
Exhibit R:       Denied: None.

**NEW GAMES SUBMITTED BY MANUFACTURERS:**

Exhibit S:       Approved – Attached  
Exhibit T:       Denied: None.

**LICENSES FOR MANUFACTURERS, LINKED BINGO GAME PROVIDERS AND DISTRIBUTORS:**

Exhibit U:       Approved –

- **License LB122**, Pollard Banknote Ltd, Winnipeg, Manitoba, Canada.

Exhibit V:       Denied: None.

**RULE VARIANCE REQUEST (LG251):**

Exhibit W:       Approved: None.  
Exhibit X:       Denied: None.

**REQUEST FOR ALTERNATIVE METHOD OF SELECTING RAFFLE WINNERS:**

Exhibit Y:       Approved: None.  
Exhibit Z:       Denied: None.

This concludes the summary of actions taken by the  
Minnesota Gambling Control Board at its meeting of Monday, May 20, 2024.