

BOARD ACTIONS

October 21, 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 95406**, KDK Foundation, Farmington, \$15,000.00. Repay start-up loan.
- **License 01047**, Brainerd Amateur Hockey Assoc, Brainerd, \$15,100. Repay start-up loan.
- **License 95225**, Mandatory Fun Outdoors Inc, Park Rapids, \$15,000.00. Repay start-up loan.

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 00620**, Blooming Prairie Servicemen's Club, Blooming Prairie, \$6,938.00. Replace and improve the rain gutter system.
- **License 00187**, VFW Post 9433, Rosemount, \$1,399.73. Cost overruns from previously approved roof replacement.
- **License 00373**, Moose Lodge 1114, St. Charles, \$20,044.00. Restroom renovations to bring to code and replace the flooring in the children's area.

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 04992**, Steele County Snowmobile Trail Assoc, Blooming Prairie, \$123,855.26. Purchase a trail groomer, used to maintain snowmobile trails that are open to the public. (Signed by DNR.)

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 00776**, Blaine Youth Hockey Assoc, Blaine, \$2,500.00. A contribution to a 501 (c)(3) organization. (Youth Sports Equipment)

TO: **License 95522**, Blaine Youth Football, Blaine

FROM: **License 02353**, Willow River Commercial Club, Willow River, \$1,000.00. A contribution to a 501 (c)(3) organization. (Youth Hockey)

TO: **License 02071**, Moose Lake Area Hockey Association, Inc., Moose Lake.

FROM: **License 02666**, Garrison Commercial Club, Garrison, \$1,000.00. A contribution to a 501 (c)(3) organization. (Camperships)

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

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

FROM: **License 01223**, Eagles Aerie 2617, Hallock, \$500.00. A contribution to a 501 (c)(3) organization. (Camperships)

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

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 01426-009**, Breckenridge Youth Hockey Assoc, Breckenridge, \$1,504.00. Fire.

Exhibit N: Denied –

- **License 03817-011**, Cambridge-Isanti Hockey Association, Isanti, \$21,562.00. Burglary. Denied due to lack of security over cash and inventory within the premises, the organization failed to maintain adequate safeguards over its gambling funds.

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 –

- **License 04433**, Burnsville Hockey Club, Burnsville, \$49,074.88. Terminating due to merger with other licensed organization.
- **License 01336**, Church of St. Thomas Aquinas, International Falls, \$1,221.25. Terminating due to no longer being active.
- **License 02677**, Minneapolis Northeast Lions Club, Minneapolis, \$48,780.10. Terminating due to acquired gambling license under 501c3 charity.
- **License 03862**, Pemberton Firefighters Relief Association, Pemberton, \$427.58. Terminating due to gambling being unprofitable.

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 MA016**, Arrow International Inc, Brooklyn, Ohio.
- **License MA083**, Everi Games Inc, Las Vegas, Nevada.
- **License MA064**, Pilot Games Inc, Minnetonka, Minnesota.

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, October 21, 2024.