

MINNESOTA GAMBLING CONTROL BOARD BOARD ACTIONS

January 21, 2025

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 34490**, Maynard Fire Relief Assoc, Maynard, \$1,600. 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 00185**, VFW Post 425, Hopkins, \$50,154., Renovate bathrooms to make ADA compliant.
(Used by other non-profits for free.)

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 92320**, Houston Money Creek Snowriders Snowmobile Club, Rushford. \$3,760.19. Replace overhead garage door on trail maintenance garage.
- **License 02926**, Anoka Area Ice Arena Assoc, Anoka, \$8,150. Purchase and install a dry valve into the building fire suppression system.
- **License 02926**, Anoka Area Ice Arena Assoc, Anoka, \$12,000. Outside improvement of the youth hockey arena.
- **License 00917**, American Legion Post 270, Buffalo, \$6,750. Statues to honor military service.
- **License 04900**, Crow River Sno Pros, Hutchinson, \$89,000. Purchase tractor used exclusively for trail maintenance. (Signed by DNR.)
- **License 05048**, Todd Area Trail Assoc, Browerville, \$2,223.22. Purchase a skid steer bumper for skid steer used to maintain grant-in-aid or open to the public trails. (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 95036**, Northeast Minneapolis Lions Community Foundation, Minneapolis, \$1,000. A contribution to a 501 (c)(3) organization. (Camperships.)

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

FROM: **License 03035**, Anoka Area Hockey Assoc, Anoka, \$375,000. A contribution to a 501 (c)(3) organization. (Ice fees for youth.)

TO: **License 02926**, Anoka Area Ice Arena Assoc, Anoka.

FROM: **License 34478**, Police Benevolent Association of Rochester, Rochester, \$2,000. A contribution to activities and facilities for youth. (Team apparel and transportation costs.)

TO: **License 03626**, Rochester Juvenile Hockey Assoc, Rochester.

FROM: **License 02338**, Rice Area Sportsmen's Club, Rice, \$2,000. A contribution to a 501 (c)(3) organization. (Purchase trailer for Veteran's Events.)

TO: **License 95225**, Mandatory Fun Outdoors Inc, Park Rapids.

FROM: **License 95036**, Northeast Minneapolis Lions Community Foundation, Minneapolis, \$2,000. A contribution to a 501 (c)(3) organization. (Hockey Scholarships.)

TO: **License 95421**, City of Lakes Youth Hockey Association, Minneapolis.

FROM: **License 00162**, VFW Post 612, Fergus Falls, \$5,000. A contribution to activities and facilities for youth. (Sponsor a youth hockey team.)

TO: **License 02107**, Fergus Falls Hockey Assoc, Fergus Falls.

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

FROM: **License 00739**, American Legion Post 12, Long Prairie, \$500. A contribution to activities and facilities for youth. (Repair compressor at youth ice arena.)

TO: **License 02079**, Long Prairie Hockey Assoc, Long Prairie.

FROM: **License 02539**, Optimist Club of St. Cloud, St. Cloud, \$165. A contribution to a 501 (c)(3) organization. (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 04785-014**, White Bear Avenue Business Association, St. Paul, \$5,924. Theft.

Exhibit N: Denied –

- **License 01096-036**, Minneapolis Riverview Lions Club, Minneapolis, \$12,704. Burglary. Denied due to Lack of security over cash and inventory within the premises. Losing possession of and security over cash assets of the organization is a lack of acceptable control and accountability over organizational assets.
- **License 00823-019**, Ogilvie Lions Club, Ogilvie, \$20,149.75. Burglary. Denied due to the organization failed to maintain and use internal control procedures that provide accountability over its cash assets at all times. The organization failed to maintain adequate safeguards over its gambling funds. Losing possession of and lack of security over cash assets of the organization is a lack of acceptable control and accountability over organizational assets.

- **License 02228-008**, Eagan Lions Club, Eagan, \$25,364. Unknown Theft. Denied due to Lack of security over cash and inventory within the premises. The organization failed to maintain adequate safeguards over its gambling funds. Losing possession of and lack of security over cash assets of the organization is a lack of acceptable control and accountability over organizational assets.

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 93682**, The Hallock Fireman's Relief Association, Hallock, \$11,741.85. Terminating due to low returns.

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 – None.

Exhibit V: Denied – None.

Distributor License/License Renewal/Method of Sale or Transfer of Electronic Games to Organizations:

Exhibit U2: Recommend approval:

- **License DI179**, FPN Gaming MN, LLC, Moorhead, MN. (New)
- **License DI169**, MN Gambling Supply, LLC, Woodbury, MN (Renewal)

Exhibit V2: Recommend denial – 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 Tuesday, January 21, 2025.