

MINNESOTA GAMBLING CONTROL BOARD
BOARD ACTIONS
February 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 06090**, Wadena Fire Dept Relief Association, Wadena, \$10,300. Repay Start-up loan.
- **License 94385**, Frost Firemen's Relief Association, Frost, \$10,000. Repay Start-up loan.
- **License 00363**, American Legion Post 333, Kasson, \$10,000. Emergency loan.
- **License 01227**, American Legion Post 207, Cleveland, \$2,777. Taxes paid out of wrong account. Reimburse the general fund.
- **License 02530**, Clarkfield Firemen's Relief Assoc, \$19.80. Gambling expense paid from the wrong account. Reimburse the general fund.
- **License 94843**, Litchfield Golf Club, Inc., Litchfield, \$25,000. Repay start-up loan.

Exhibit B: Denied – None.

PROPERTY AND CAPITAL ASSET EXPENDITURE REQUESTS:

For the amount that will exceed annual limit allowed due to extenuating circumstances for the repair, maintenance, or improvement of real property or capital assets owned by an organization and used by other organizations (LG269):

Exhibit C: Recommend approval:

- **License 01304**, American Legion Post 264, Glenville, \$20,000. Replace HVAC system. Post is available for other non-profits free of charge.
- **License 00131**, American Legion Post 225, Forest Lake, \$300,000. Complete remodel of general Post areas of the building. Post used free of charge by other non-profits.

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 02974**, North Country Trail Busters, Fort Ripley, \$246,010.29. Build a storage building for grooming equipment. This is the loan principal and interest.
- **License 02926**, Anoka Area Ice Arena Assoc, Anoka, \$27,375. Purchase and install new scoreboards and penalty displays for youth hockey teams.
- **License 47010**, Watkins Baseball Club, Litchfield, \$8,815.95. Cost overruns from previously board approved youth hitting facility project.
- **License 04463**, Hiawatha Sno-Seekers, Dover, \$12,804.70. Trail maintenance on public snowmobile trail including bridge work and tree removal.
- **License 04335**, North Branch Area Hockey Assoc, North Branch, \$1,385,556.28. Continuation of construction phase 1 & 2 of hockey arena. Arena will be home to the North Branch area youth hockey team and high school hockey team.

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 03573**, Stacy-Lent Fire Relief Assoc, Stacy, \$5,000. A contribution to a 501 (c)(3) organization. (Trailer with lift for disabled veterans to enjoy outdoors)

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

FROM: **License 03835**, Sauk Rapids Youth Hockey Assoc, Sauk Rapids, \$45,000. A contribution to a activities and facilities intended primarily for persons under age 21. (Girl’s youth hockey program)

TO: **License 31924**, Sartell Youth Hockey, Sartell.

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 00385**, VFW Post 1642, Waseca, \$1,000. A contribution to a 501 (c)(3) organization. (Offset costs)

TO: **License 33569**, Waseca Sleigh and Cutter Festival Association Inc, Waseca

FROM: **License 00794**, American Legion Post 117, Thief River Falls, \$2,000. A contribution to a activities and facilities intended primarily for persons under age 21. (Bantam youth team expenses)

TO: **License 02008**, Thief River Falls Amateur Hockey Assoc, Thief River Falls

FROM: **License 04017**, New Munich Lions Club, New Munich, \$1,000. A contribution to a 501 (c)(3) organization. (Camperships)

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

FROM: **License 01754**, New Brighton Lions Club, New Brighton, \$2,000. A contribution to a 501 (c)(3) organization. (Camperships)

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

FROM: **License 02257**, Elk River Lions Club, Elk River, \$2,000. A contribution to a 501 (c)(3) organization. (General Operations Costs)

TO: **License 95170**, The Wave, Big Lake.

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

FROM: **License 02228**, Eagan Lions Club, Eagan, \$500. A contribution to a 501 (c)(3) organization. (Camperships)

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

FROM: **License 01292**, Grey Eagle-Burtrum Lions Club, Grey Eagle, \$500. A contribution to a 501 (c)(3) organization. (Camperships)

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

FROM: **License 00981**, Pillager Lions Club, Pillager, \$500. A contribution to a 501 (c)(3) organization. (Camperships)

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

FROM: **License 02319**, American Legion Post 253, Lowry, \$500. A contribution to defray education costs. (Scholarships) (Rec'd 2/5/2024)

TO: **License 00375**, VFW Post 7902, Osakis.

FROM: **License 02390**, Stewart Lions Club, Stewart, \$500. A contribution to a 501 (c)(3) organization. (Camperships) (Rec'd 2/5/2024)

TO: **License 00691**, Camp Confidence, 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 01027-002**, American Legion Post 311, Elysian, \$1,729. Burglary.
- **License 00291-001**, VFW Post 2735, Isanti, \$31,306.25. Burglary
- **License 02079-014**, Long Prairie Hockey Assoc, Long Prairie, \$15,983.75. Fire.
- **License 31322-022**, Chops Inc, Minneapolis, \$1,500. Employee Theft.
- **License 31322-001**, Chops Inc, Minneapolis, \$7,758.60. Burglary.

Exhibit N: Denied –

- **License 03451-005**, Northfield Fire Relief Assoc, Northfield, \$25,825. Theft. Denied due to internal control procedures were not satisfactory, the internal controls being used by the organization were insufficient to hold its own seller accountable for the loss, internal control procedures over cash accountability of each deal of pull-tabs do not provide enough control between shifts and between bar personnel to determine responsibility for the losses, 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 security over cash assets of the organization is a lack of acceptable control and accountability over organizational assets.
- **License 02467-005**, Sibley Hockey Booster Club, Sibley, \$4,248.50. Theft. Denied due to internal control procedures were not satisfactory, lack of security over cash and inventory within the premises, the seller left the cash drawer unlocked and unattended, the organization failed to maintain adequate safeguards over its gambling funds, losing possession of and 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 36486**, Herman Firemen’s Relief Association, Herman, \$7,662.61. Terminated due to loss of site.

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.

RULE VARIANCE REQUEST (LG251):

Exhibit W: Approved – None.

Exhibit X: Denied – None.

REQUEST FOR ALTERNATIVE METHOD OF SELECTING RAFFLE WINNERS:

Exhibit Y: Approved:

- Diamond Champagne Glass Raffle

Exhibit Z: Denied – None.

This concludes the summary of actions taken by the
Minnesota Gambling Control Board at its meeting of Tuesday, February 20, 2024