

### MINNESOTA LAWFUL GAMBLING LG500 City or County Annual Report, Lawful Gambling Regulatory Tax

#### Lawful Gambling Regulatory Tax Allowance

Minnesota Statutes, Section 349.213, Subdivision 3, allows a city or county to impose a local gambling tax of up to 3% each year on net receipts (gross receipts less prizes) from each licensed lawful gambling organization within the city's or county's jurisdiction. The tax may only be imposed each year if the amount is necessary to cover the costs incurred by the city or county to regulate lawful gambling. Regulating lawful gambling includes site inspections, compliance reviews, corrective action, and trade area monitoring. Regulating lawful gambling does not include monitoring that tax payments are made to the city or county, or providing for past or future calendar year lawful gambling regulation.

All documents pertaining to site inspections, compliance reviews, trade area monitoring, fines, penalties, or other corrective action involving local lawful gambling regulation must be provided to the Minnesota Gambling Control Board within 30 days of the inspection, compliance review, corrective action, etc.

#### City or County Information

City or County Name (may not be township): City of Duluth This report is for calendar year 2018  
Street: 411 W. 1st St. #120 City: Duluth, MN Zip: 55802

#### Financial Information, Lawful Gambling Regulatory Tax

1. Tax rate ..... 1. 1.0 %  
(Rate may be up to 3% of net receipts; may not be a variable rate.)
2. Fund balance as of December 31 of previous calendar year ..... 2. \$ 59,611.13  
(If none or negative, enter 0.)
3. Interest earned, if any, on fund balance for the previous calendar year ..... 3. \$ \_\_\_\_\_
4. Lawful gambling regulatory tax collected from licensed organizations:

Name of Licensed Organization	Organization License #	Amount of Tax Collected
see attached		\$22,195.56
Enter taxes collected on Line 4		\$22,195.56

5. Total taxes collected and interest (add Lines 2, 3, and 4) ..... 5. \$ 81,806.69
6. Actual costs incurred (expended) to regulate lawful gambling ..... 6. \$ 32,166.00  
(Attach documentation showing accounting of costs incurred.)
7. Subtotal (Line 5 minus Line 6) ..... 7. \$ 49,640.69  
(Cannot carry a negative balance in the 3% fund; balance to be reimbursed to charity.)

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City or County Name: City of Duluth

**Refunds:**

7. Amount from Page 1, Line 7 ..... 7. \$ 49,640.69

8. A city or county may impose this tax only if necessary to cover costs incurred to regulate lawful gambling.

**Refunds of unincurred tax:**

Name of Licensed Organization	License #	Amount Refunded

Enter total amount refunded on Line 8      \$0.00      8. \$ 0.00

9. Enter any year-end balance on December 31 (Line 7 minus Line 8) ..... 9. \$ 49,640.69  
(Cannot carry a negative balance; balance to be reimbursed to charity.)


**How Costs Were Incurred By the City or County**

- Inspections of lawful gambling sites  
 Compliance reviews  
 Trade area tracking  
 Corrective action

**WITHIN 30 DAYS:** City or county documents pertaining to site inspections, fines, penalties, corrective action, and trade area reports involving use of the local lawful gambling regulation tax must be provided to the Minnesota Gambling Control Board within 30 days of the inspection, review, corrective action, etc. Email to [gcb.city.reports@state.mn.us](mailto:gcb.city.reports@state.mn.us) or fax to **651-639-4032 (Attention: City Reports)**, or send via U.S. mail (address below).

**City or County Acknowledgment**

1. I am the official responsible for the financial reporting of the city's or county's lawful gambling regulatory tax under Minn. Stat. § 349.213, subd. 3.  
 2. I am aware of the restrictions under Minnesota law on expenditures from this fund and affirm that the expenditures are related to the regulation of lawful gambling and accounted for according to statute and rule and in a manner consistent with generally accepted accounting principles.  
 3. I have reviewed this report and affirm that the revenues, expenditures, any fund balance, and reimbursements reflect all fund activity during the calendar year, and is a true, correct, and complete report.


Chief Financial Officer      3/15/19  
Date

Wayne Parson      218-730-5028      [wparson@duluthmn.gov](mailto:wparson@duluthmn.gov)  
Print Name      Phone Number      Email Address

**By March 15 each year mail, email, or fax the LG500 to:**

<b>Minnesota Gambling Control Board</b> <b>Attention: City Reports</b> <b>1711 West County Road B, Suite 300 South</b> <b>Roseville, MN 55113</b>	<b>Email: <a href="mailto:gcb.city.reports@state.mn.us">gcb.city.reports@state.mn.us</a></b> <b>Fax: 651-639-4032 (Attention: City Reports)</b> <b>Questions? Call 651-539-1900</b>
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The information on this form and any attachments will become public information when received by the Board, and will be used to determine your compliance with Minnesota statutes and rules governing lawful gambling activities. This form will be made available in alternative format upon request.

Organization	Charitable Gambling 1% Tax	Lawful Gambling 5% Tax
<b>American Legion Post 71</b>	<b>\$1,036.13</b>	<b>\$2,292.46</b>
American Legion Post 71	\$1,036.13	\$2,292.49
<b>Community Charities of MN</b>	<b>\$607.80</b>	<b>\$324.35</b>
Country Lanes North	\$170.07	\$324.35
Incline Station	\$437.73	\$0.00
<b>Duluth Curling Club</b>	<b>\$1,404.59</b>	<b>\$1,300.47</b>
Copasetic	\$1,404.59	\$1,300.47
<b>Duluth Softball Players Association</b>	<b>\$1,769.23</b>	<b>\$1,465.56</b>
Bergey's	\$1,769.23	\$1,465.56
<b>Elk's Lodge #133</b>	<b>\$26.87</b>	<b>\$0.00</b>
All American Club	\$26.87	\$0.00
Elk's Lodge	\$0.00	\$0.00
<b>Irving Community Club</b>	<b>\$15,452.54</b>	<b>\$4,613.96</b>
310 Pub	\$477.28	\$3,968.10
Ace's	\$44.92	\$645.86
All American Club	\$201.95	\$0.00
Alpine Bar	\$214.78	\$0.00
Caddy Shack	\$193.15	\$0.00
GB Schneider	\$42.14	\$0.00
Gopher Restaurant & Lounge	\$1,997.78	\$0.00
Kom-On-Inn	\$1,040.57	\$0.00
Lucky's 13	\$313.43	\$0.00
Mitch's Bar	\$2,692.92	\$0.00
Mr. D's	\$1,946.62	\$0.00
Player's Sports Bar	\$596.84	\$0.00
Roscoe's Pioneer Bar	\$237.10	\$0.00
Round-Up Bar	\$718.90	\$0.00
Rustic Bar	\$2,399.78	\$0.00
Shotz Bar	\$164.99	\$0.00
Tappa Keg Inn	\$221.63	\$0.00
T-Bonz	\$1,947.76	\$0.00
<b>Lake Superior Steelhead</b>	<b>\$1,898.40</b>	<b>\$1,488.78</b>
Reef Bar	\$1,898.40	\$1,488.78
<b>Grand Total</b>	<b>\$22,195.56</b>	<b>\$11,485.58</b>

City of Duluth - Treasury Division  
Lawful Gambling - 2018  
Income Statement

Receipts

Gross Sales	15,721,153		
Prizes	<u>13,501,696</u>		
Net Sales		2,219,457	
1% Local Tax Receipts			22,195

Disbursements

Investigation and Enforcement			
Site Monitoring	770		
Total		770	
Tax Filings and Collections			
Collections and Processing	5,963		
Tax Administration	<u>1,063</u>		
Total		7,026	
Administrative and Legal			
Commission Counsel	4,352		
Applications and Permits	18,738		
MIS Costs	<u>1,280</u>		
Total		<u>24,370</u>	
Total Disbursements			<u>32,166</u>
Net Amount			(9,971)