

THE MINNESOTA CHIPPEWA TRIBE

ORDINANCE NO.11

WHEREAS, Article V, Section 1 (g) of the Revised Constitution and By-Laws of The Minnesota Chippewa Tribe sets forth among the powers of the Tribal Executive Committee the power: ".....by Ordinance, subject to review of the Secretary of the Interior, levy licenses or fees on non-members or non-Tribal organizations doing business on two or more reservations." and

WHEREAS, the State of Minnesota currently regulates and allows for local units of government to license and operate gambling devices as set forth in Minnesota Statutes 349.26, and

WHEREAS, The Minnesota Chippewa Tribal Executive Committee believes it is desirable and necessary to license and regulate the same type of gambling authorized by the Minnesota Statute 349.26 by non-members and non-Tribal organizations doing business on two or more Reservations of The Minnesota Chippewa Tribe.

NOW THEREFORE, the following Ordinance is enacted:

Section 1.01 Gambling Devices

Subdivision 1. For the purposes of this section, the terms defined in this section have the meanings given them.

Subdivision 2. "Gambling Devices" means those gambling devices known as "paddlewheels" or "tipboards," "pulltabs" (or ticket jars) or apparatus used in conducting raffles.

Subdivision 3. "Paddlewheel" means a wheel marked off into sections containing one or more numbers, and which, after being turned or spun, uses a pointer or marker to indicate winning chances.

Subdivision 4. "Tipboard" means a board, placard or other device measuring at least 12 inches square, marked off in a grid or columns, in which each section contains a hidden number or hidden numbers or other symbols, which determines the winning chances.

Subdivision 5. "Raffle" means a game in which a participant buys a ticket for a chance at a prize with the winner determined by a random drawing to take place at a location and date printed upon the ticket.

Subdivision 5A. "Pull-tabs" (or "ticket jars") means a single folded or banded ticket or a card, the face of which is initially covered, or otherwise hidden from view, to conceal a number or set of numbers or a symbol or set of symbols. A few of the numbers or symbols out of every set of pull-tabs (or ticket jars) will have been designated in advance and at random as prizewinners. A participant pays a consideration to an operator for the opportunity to obtain a folded or banded ticket or a card, view the numbers or symbols on it and possibly obtain a prizewinning pull-tab (or ticket jar).

Subdivision 6. "Profit" means the gross receipts from the operation of gambling devices and the conduct of raffles, less reasonable sums expended for prizes, local licensing fees, taxes and maintenance costs for the device.

Subdivision 7. Nothing in this section shall be construed on authorize any use, possession or operation of:

- (a) Any gambling device which is activated by the insertion of a coin or token; or
- (b) Any gambling game or device in which the winning numbers, tickets, or chances are in any way determined by the outcome of any athletic game contest or sporting event.

Subdivision 8. Any Reservation Business Committee may establish a system for the licensing of organizations to operate gambling devices and to conduct raffles and may collect a fee for each license in an amount to be determined by the local Reservation Business Committee. In addition to any license fee received by the local Reservation Business Committee, a license shall be required from The Minnesota Chippewa Tribe. The fee for said license shall be **Ten Thousand Dollars (\$10,000.00)** per year. Licenses issued pursuant to this section shall be valid for one year and may be suspended or revoked for any violation of this section. Any application for a license shall be acted upon within 180 days from the date of application. Nothing in this Ordinance shall be construed to prevent a Reservation Business Committee from adopting rules, regulations, or an Ordinance for the operation of gambling devices or conduct of raffles that is more restrictive than this Tribal Ordinance, including rules or ordinances prohibiting the operation of such devices.

Subdivision 9. Issuance of License

Licenses shall only be issued to a fraternal, religious, veterans, or other non-profit organization which is a corporation, fund, foundation, trust or association organized for exclusively scientific, literary, religious, charitable education, or artistic purposes, or for the purpose of making contributions to for the use of The Minnesota Chippewa Tribe, or any of its constituent Bands, the United States, the State of Minnesota, or any of its political subdivisions for exclusively public purposes, or for any combination of the above enumerated purposes, if no part of the net income of any such corporation, fund, foundation, trust or association inures to the benefit of any private member, stockholder, or individual, or is a club organized and operated exclusively for pleasure, recreation, or other non-profitable purposes, no part of the net income of which inures to the benefit of any private member, stockholder, or individual which organization has been in existence for at least three years and has at least 30 active members. Nothing in this Ordinance is intended to restrict or limit the activities of Reservation Business Committees or their business subdivisions from operating gambling devices as enumerated in this Ordinance.

Subdivision 10. Profits from the operation of gambling devices or the conduct of raffles shall be used solely for lawful purposes and as authorized at a regular meeting of the organization.

Subdivision 11. All operation of gambling devices and the conduct of raffles shall be under the supervision of a single gambling manager designated by the organization. The gambling manager shall be responsible for gross receipts and profits from gambling devices and raffles and for their operation. The gambling manager shall give a fidelity bond in the sum of **\$50,000.00** in favor of the organization condition on the faithful performance of his duties. A person may act as both gambling manager and bingo manager for a single organization, but a gambling manager for a single organization shall not act as either a gambling manager or bingo manager for any other organization. A gambling manager for an organization shall be an active member of the organization.

Subdivision 12. No compensation in excess of \$25.00 a week shall be paid in connection with the operation of a gambling device or the conduct of a raffle by a licensed organization except a licensed organization may elect to pay a percent of raffle ticket sales to nonprofit organizations selling for the licensed organization. No person who is not an active member may participate in the organization's operation of a gambling device or conduct of a raffle except the licensed organization may utilize nonmember nonprofit organizations in raffle ticket sales.

Subdivision 13. Each organization licensed to operate gambling devices shall keep records of its gross receipts, quantity of free plays, if any, expenses and profits for each single gathering or occasion at which gambling devices are operated or a raffle is conducted. All deductions from gross receipts for each single gathering or occasion shall be documented with receipts or other records indicating the amount, a description of the purchased item or other service or other reason for the deduction, and the recipient. The distribution of profits shall be itemized as to payee, purpose, amount and the date of payment.

Gross receipts from the operation of gambling devices and the conduct of raffles shall be segregated from other revenues of the organization, including bingo gross receipts, and placed in a separate account. Each organization shall have separate records of its gambling operations. The person who

accounts for gross receipts, expenses, and profits from the operation of gambling devices or the conduct of raffles may be the same person who accounts for bingo gross receipts, expenses and profits.

Each organization licensed to operate gambling devices or conduct raffles shall report monthly to its membership, and to the licensing unit of government its gross receipts, expenses, and profits from gambling devices or raffles, and the distribution of profits itemized as required in this subdivision. Records required in this section shall be preserved for three years, and organizations shall make available their records relating to operation of gambling devices and the conduct of raffles for public inspection at reasonable times and places.

Subdivision 14. Gambling devices shall be operated and raffles conducted by a licensed organization only upon premises which it owns or leases except that tickets for raffles conducted in accordance with this section may be sold off the premises. Leases, unless authorized in another location by the licensing unit of government, shall be for a period of not less than one year and shall be in writing. The licensing unit of government may authorize raffles to be conducted by a licensed organization on premises not owned or leased by the organization. No lease shall provide that rental payments be based on a percentage of receipts or profits from gambling devices or raffles. Copies of all leases shall be provided to the licensing unit of government.

Subdivision 15. Total Prize Award Limits

Total prize award limits from the operation of paddlewheel, tipboards, and pull-tabs (or ticket jars) awarded in any single day in which they are operated shall not exceed \$1,000.00. Total prizes resulting from any single spin of a paddlewheel, or from any single seal of a tipboard, each tipboard limited to a single seal, or from a single pull-tab (or ticket jar), shall not exceed \$150.00. Total prizes awarded in any calendar year by any organization from the operation of paddlewheels, tipboards, and pull-tabs (or ticket jars) and the conduct of raffles, except as provided in subdivision 15a, shall not exceed \$35,000.00. Merchandise prizes shall be valued at fair market retail value.

Subdivision 15a. Exception: Total Award Limitations.

- (a) An organization which directly or under contract to the Tribe or its constituent band, or the state or a political subdivision delivers health or social services and which is exempt from taxation pursuant to Section 501 (c) (3) of the Internal Revenue Code of 1954, as amended through December 30, 1981, may award total prizes in a calendar year from the conduct of raffles in excess of the limitation provided in subdivision 15, provided the prizes consist of real or personal property donated to the organization by an individual, corporation, or other organization and, except as provided in clause (b), provided the organization complies with the other requirements and restrictions of this section.
- (b) For the purpose of this subdivision, an organization covered by clause (a) is not subject to the membership limitations of Subdivision 9, 11, and 12, nor to the compensation limitations of Subdivision 12. Subject to the other requirements of Subdivision 13, the person who accounts for gross receipts, expenses and profits from the conduct of raffles may be the same person who accounts revenues of the organization.

Subdivision 16. Violation of any provision of this Ordinance is subject to a civil penalty of \$500.00 and revocation of the licensee's license. This subdivision shall not preclude any other appropriate agency of Federal or State government from investigating or prosecuting violations of this Ordinance.

Adopted this third day of November, 1983, at a Regular Meeting of The Minnesota Chippewa Tribal Executive Committee, a quorum being present, by a vote of 8 For, 0 Against, 0 Silent, held at Grand Portage Lodge & Conference Center, Grand Portage, Minnesota.

Darrell Wadena, President
THE MINNESOTA CHIPPEWA TRIBE

ATTEST: Daniel Morrison, Sr., Secretary
THE MINNESOTA CHIPPEWA TRIBE