

If the allocation to one of the federal aid secondary systems cannot be fully utilized on that system, the commissioner may reallocate those funds that cannot be utilized to the other federal aid secondary system, notwithstanding the provisions of clauses (1) and (2).

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following its final enactment.

Approved May 15, 1981

CHAPTER 204 — S.F.No. 209

An act relating to gambling devices; clarifying definitions of gambling devices; authorizing an additional gambling device; authorizing certain payments for operation of gambling devices; changing prize limitations; changing the penalty provision for violation; amending Minnesota Statutes 1980, Sections 349.26, Subdivisions 2, 4, 5, 12, 13, 14 and 15, and by adding a subdivision; 349.30, Subdivision 2; and 349.31, Subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1980, Section 349.26, Subdivision 2, is amended to read:

Subd. 2. "Gambling devices" ~~mean~~ means those gambling devices known as "paddlewheels" or "tipboards", "pull-tabs" (or "ticket jars"), or apparatus used in conducting raffles.

Sec. 2. Minnesota Statutes 1980, Section 349.26, Subdivision 4, is amended to read:

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

Sec. 3. Minnesota Statutes 1980, Section 349.26, Subdivision 5, is amended to read:

Subd. 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.

Sec. 4. Minnesota Statutes 1980, Section 349.26, is amended by adding a subdivision to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 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).

Sec. 5. Minnesota Statutes 1980, Section 349.26, Subdivision 12, is amended to read:

Subd. 12. No compensation in excess of \$25 a week, shall be paid to ~~any person~~ 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 of an organization, or its auxiliary, or the spouse or surviving spouse of 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.

Sec. 6. Minnesota Statutes 1980, Section 349.26, Subdivision 13, is amended to read:

Subd. 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 service or other reason for the deduction, and the recipient. The distribution of profits shall be itemized as to payee, purpose, amount and 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 ~~shall not be the same person who accounts for other revenues of the organization, except that such person~~ may be the same person who accounts for bingo gross receipts, expenses and profits.

Each organization licensed to operate gambling devices or to conduct raffles shall report monthly to its membership, and to the licensing local 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.

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Records required by 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.

Sec. 7. Minnesota Statutes 1980, Section 349.26, Subdivision 14, is amended to read:

Subd. 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 local unit of government, shall be for a period of not less than one year and shall be in writing. The local 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 local unit of government.

Sec. 8. Minnesota Statutes 1980, Section 349.26, Subdivision 15, is amended to read:

Subd. 15. Total prizes from the operation of paddlewheels ~~and~~ tipboards and pull-tabs (or ticket jars) awarded in any single day in which they are operated shall not exceed ~~\$500~~ \$1,000. 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 ~~\$400~~ \$150. Total prizes awarded in any calendar year by any organization from the operation of paddlewheels ~~and~~ tipboards and pull-tabs (or ticket jars) and the conduct of raffles shall not exceed ~~\$15,000~~ \$35,000. Merchandise prizes shall be valued at fair market retail value.

Sec. 9. Minnesota Statutes 1980, Section 349.30, Subdivision 2, is amended to read:

Subd. 2. "Gambling devices" means slot machines, roulette wheels, punchboards, ~~number jars~~ and pin ball machines which return coins or slugs, chips, or tokens of any kind, which are redeemable in merchandise or cash.

Sec. 10. Minnesota Statutes 1980, Section 349.31, Subdivision 1, is amended to read:

Subdivision 1. **INTENTIONAL POSSESSION; WILFUL KEEPING.** The intentional possession or wilful keeping of a gambling device upon any licensed premises is cause for the revocation of any license under which the licensed business is carried on upon the premises where the gambling device is found, provided that possession of gambling devices commonly known as "paddlewheels" or "tipboards" or "pull-tabs" (or "ticket jars") or apparatus

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used in conducting raffles on the premises of a nonprofit organization and operated by organizations licensed for such operation pursuant to section 349.26 shall not be cause for revocation of a license.

Approved May 15, 1981

CHAPTER 205 — S.F.No. 215

An act relating to taxation; allowing urban towns to increase their tax levy limit base by eight percent per year; amending Minnesota Statutes 1980, Section 275.52, Subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1980, Section 275.52, Subdivision 2, is amended to read:

Subd. 2. The levy limit base, as adjusted for previous increases pursuant to this section, may be increased each year by the governing body of the governmental subdivision affected thereby in the amount not to exceed, in the case of a home rule charter or statutory city other than a city of the first class ~~or~~, a county not containing a city of the first class, or a town exercising the powers of a statutory city pursuant to section 368.01 or a special law, eight percent, or in the case of any other governmental subdivision, six percent of the previous year's levy limit base.

Sec. 2. EFFECTIVE DATE.

This act is effective for taxes levied in 1981, payable in 1982 and thereafter.

Approved May 15, 1981

CHAPTER 206 — S.F.No. 399

An act relating to drugs; requiring imprinting of legend drugs; amending Minnesota Statutes 1980, Section 151.361.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1980, Section 151.361, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.