



TO: Mayor Shaun Sipma
Members of the City Council

FROM: Kelly Matalka, City Clerk

DATE: May 3, 2021

SUBJECT: ORDINANCE NO. 5599 SECOND READING AMENDMENT- GAMES OF CHANCE

I. RECOMMENDED ACTION

It is recommended the City Council place and pass ordinance no. 5599 on second reading as amended.

II. DEPARTMENT CONTACT PERSONS

Kelly Hendershot	857-4175
John Klug	857-9800
Kelly Matalka	857-4752

III. DESCRIPTION

A. Background

Ordinance No. 5599, relating to permits and licenses was approved on first reading April 19, 2021 and is on the May 3, 2021 agenda for second reading. Current ordinance limits the number of sites to five per organization, except the site limitation does not apply to sites for unattended games of chance. The term “unattended games of chance” is not defined in ordinance or state law, but was in the City’s code before the electronic pull tab devices existed. Electronic pull tab devices are now referenced specifically in state law and limited to ten (10) devices per site; cities are given the authority to determine how many sites an organization can have. In an effort to simplify the ordinance, Staff recommended eliminating the reference to the undefined term. Since making the recommendation, it has come to staff’s attention that one organization relied on the site limitation not applying to unattended games of chance and has six sites where the organization has electronic pull tab devices.

With that information, staff maintains its recommendation to eliminate the reference to the undefined term, but makes the additional recommendation to increase the site limitation from five (5) to six (6). Other cities’ site limitations vary; five (5) is the most restrictive we were able to identify (e.g., Grand Forks currently allows 10 sites per organization).

The recommended modifications would clarify/simplify the ordinance and allow organizations to have up to 10 electronic pull tab machines per site (current ordinance only allows 3 per site).

B. Proposed Project

After contacting surrounding cities for a comparison, it was decided to recommend the City of Minot increase the total number of allowable sites to six (6) rather than five (5). By doing so, the number of sites currently operating would be in compliance with the changes and it limits the number of sites to be reasonably competitive for non-profits to operate.

IV. IMPACT:

A. Strategic Impact:

B. Service/Delivery Impact:

C. Fiscal Impact:

In accordance with NDCC, the City changes a one-hundred-dollar fee for a site authorization.

V. ALTERNATIVES

- A. The Council could choose a different restriction for the number of site authorizations permitted. As an example, Grand Forks recently increased the number of permitted sites from seven up to ten; Fargo has a limit of five; the most sites authorized in Bismarck is six.
- B. The Council could choose to leave the ordinance as-is and gaming sites would need to reduce the number of electronic gaming devices in order to comply with City codes.

VI. TIME CONSTRAINTS

Site authorizations are approved on a fiscal year basis. Paperwork is currently being submitted for the July 1, 2021 through June 30, 2022 year. In order to keep sites operating efficiently, the ordinance should be clarified before annual site authorizations are approved.

VII. LIST OF ATTACHMENTS

- A. Ordinance No. 5599