



Ordinance No. 1404

Amending the Fridley City Code
Chapter 30 Lawful Gambling



Background

- Fridley City Code states a local gambling tax of 3% of the gross receipts from lawful gambling is to be paid to the City for purposes of regulating the gambling.
- Any tax not used in conjunction with the regulating of gambling is to be returned to the contributing organizations annually.
- The City receives monthly checks from two Charitable Gambling organizations that operate in five locations.

Background

- In 2020, the City began issuing refunds to Charitable Organizations at year end.
- The first refund amount given in 2021 totaled \$13,573.
- In 2022 refunds totaled \$30,593.
- It is anticipated that the City will be issuing refunds in a similar amount in early 2023 for calendar year 2022.

Background

- Finance staff have reviewed these numbers and determined that lowering the local gambling tax will yield a lower refund needing to be issued at year end.
- Both the Lions Club and American Legion have been notified of this proposed change.

Proposed ordinance

Current text:

A local gambling tax of **three** percent of the gross receipts from lawful gambling, less prizes actually paid by the organization, shall be paid to the City for the purpose of regulating said gambling and any tax not utilized in conjunction with the regulating said gambling shall be returned to the contributing organizations annually.

New text:

A local gambling tax of **two** percent of the gross receipts from lawful gambling, less prizes actually paid by the organization, shall be paid to the City for the purpose of regulating said gambling and any tax not utilized in conjunction with the regulating said gambling shall be returned to the contributing organizations annually.

Next steps

- First reading of ordinance tonight
- Second reading on Monday, December 19th Council Meeting
- Approval and publication of ordinance

Thank you.

Questions?

