

**TITLE 25
LOTTERIES**

Chapters:

25.01: General Provisions

25.02: Regulations for the Conduct of Lotteries within the Corporate Boundaries

(Ordinance replaced in its entirety 3/25/06-Ordinance 2006-03)

(Ordinance replaced in its entirety effective May 2, 2012, Ordinance 2012-06)

**Chapter 25.01
GENERAL PROVISIONS**

SECTIONS:

25.01.01: Scope and Purpose

25.01.02: Definitions

25.01.03: Penalty

25.01.01: SCOPE AND PURPOSE

The purpose of this Title is to set forth those regulations necessary for the control of lotteries within the City.

25.01.02: DEFINITIONS

LOTTERY or LOTTERIES: A plan whereby for a valuable consideration, money is raised by selling chances to share in the distribution of prizes.

25.01.03: PENALTY

Any violation of the provisions of this Title is a Class 2 misdemeanor punishable by the maximum punishment set forth by the laws of the state of South Dakota pursuant to SDCL 22-6-2. As a separate administrative penalty, if the City Council concludes that an applicant has violated this Ordinance, it may refuse an application from that entity or individual to conduct a subsequent raffle or lottery within the City of Sturgis for a period not less than one year, but not longer than two years, from the date of said violation.

Chapter 25.02**REGULATIONS FOR THE CONDUCT OF LOTTERIES WITHIN THE CORPORATE BOUNDARIES****SECTIONS:**

- 25.02.01: Permitted for Restricted Purposes
- 25.02.02: Who May Conduct
- 25.02.03: Proceeds Not to Inure to any Individual
- 25.02.04: Application Fee
- 25.02.05: Payment of Temporary Vendor License fee
- 25.02.06: No Professional Person or Organization Employed to Conduct
- 25.02.07: Local Benefit by Designation of Local Charity
- 25.02.08: Limited Compensation for Services Rendered
- 25.02.09: Value of Prizes
- 25.02.10: Notice to Governing Body
- 25.02.11: Application Information and State Wide Filing Requirements
- 25.02.12: Lease or Agreement to Provide Equipment or Services Prohibited
- 25.02.13: Numbering of Chances
- 25.02.14: Awarding of Prizes
- 25.02.15: After Lottery Report to Finance Officer

25.02.01: PERMITTED FOR RESTRICTED USE

The game "Bingo" as defined in SDCL 22-25-23 or "lottery" as defined in SDCL 22-25-24 may be permitted as provided in this Title and in that event will not be construed as gambling or as a lottery within the meaning of SDCL 22-25-1, or Title 13 of these Ordinances.

25.02.02: WHO MAY CONDUCT

The Bingo game or lottery must be conducted by a bona fide congressionally chartered veterans organization; a nationally recognized religious, charitable, educational, or fraternal organization; a local civic or service club; a political party; a volunteer fire department; or a political action committee or political committee on behalf of any candidate for a political office which exists under the laws of the State of South Dakota, which demonstrates through its application that the proposed lottery or bingo will provide a significant direct benefit to the Sturgis community. The organization shall submit its application to the City Finance Office in the manner and form required herein, and must provide all the information required by that office before the application may be accepted as complete.

25.02.03: PROCEEDS NOT TO INURE TO ANY INDIVIDUAL

The proceeds from any lottery or Bingo game may not inure to the benefit of any individual.

25.02.04: APPLICATION FEE

Any application for a bingo or lottery activity proposing to award prizes having a total value of less than \$2,000 shall pay an application fee of \$5.00. Any application for a bingo or lottery proposing to award prizes having a total value of more than \$2,000 shall pay an application fee of \$100.00.

25.02.05: PAYMENT OF TEMPORARY VENDOR LICENSE FEE

Any applicant seeking to conduct such a bingo or lottery activity shall also be subject to the requirements Title 31 of Sturgis Ordinances. In the case of any lottery or raffle application which is denied by the City Council, and for which the applicant has paid the Temporary Vendor License and Special Sanitation fee to the Finance Office, those fees will be refunded after the time for reconsideration/appeal of the Council action has expired.

25.02.06: NO PROFESSIONAL PERSON OR ORGANIZATION EMPLOYED TO CONDUCT

No separate organization or professional person may be employed to conduct the bingo game or lottery or assist therein.

25.02.07: LOCAL BENEFIT BY DESIGNATION OF LOCAL CHARITY

Any applicant under this Ordinance not demonstrating in the application submitted that its primary non-profit organizational purpose is to provide benefit to the Sturgis community, or which does not have its organization headquarters located within the City of Sturgis, shall demonstrate in its application it will meet the significant local benefit requirement of 25.02.02 herein by designating a qualifying local charity or non-profit organization located and operating within the greater Sturgis community with which applicant shall affiliate during the conduct of the bingo or lottery activity. Any such application asserting that significant local benefit will occur through such local affiliation shall show consent by the local affiliate by providing its signature on the application, or providing similar documentation of consent by the local affiliate, acceptable to the Finance Officer.

(25.02.07 revised by Ordinance 2013-19, effective 11-20-2013)

25.02.08: LIMITED COMPENSATION FOR SERVICES RENDERED

No compensation of any kind in excess of the state minimum wage per hour or Sixty Dollars (\$60.00) total payment, whichever is greater, in value may be paid to any person for services rendered during any bingo session in connection with the conduct of the bingo game or for their services in selling any lottery or raffle tickets in consideration of any lottery. However, the provisions of this Section do not apply to games or lotteries conducted in connection with a civic celebration recognized by resolution of the governing body of the municipality approving the application to conduct a bingo or lottery within the municipal limits as one not subject to the statutory limitation on compensation.

25.02.09: VALUE OF PRIZES

No prize in excess of Two Thousand Dollars (\$2,000.00) is to be awarded at any one play of bingo and no lottery prize is to be awarded in excess of the amount established pursuant to South Dakota law, SDCL 22-25-25 (5a) and acts amendatory thereto.

25.02.10: NOTICE TO GOVERNING BODY

The organizations authorized under Section 25.02.02 of this Title, before conducting a bingo game, lottery or raffle, shall give thirty (30) days written notice of the time and place thereof to the governing body of the municipality of the intention to conduct such bingo game or lottery. The notice shall be given by submitting an application, complete in form and content as determined by the City Finance Officer, at least 30 days prior to the proposed sale of tickets for the bingo or lottery. To be complete in form and content means the

application must include written documentation confirming the applicant is a qualified non-profit 501(c)(3) organization as determined by the IRS, or include similar written documentation of comparable non-profit status from the Office of Secretary of State of South Dakota, in addition to other information required by this ordinance or the Finance Office. After the complete application and required fee has been submitted to the Finance Office, it shall be

- a) reviewed by the Finance Officer and,
- b) if it meets the requirements of this ordinance, it shall be approved by the Finance Officer under the authority of SDCL 22-25-25(6) or
- c) if an application is not approved by the Finance Officer, the applicant may, upon written request to the Finance Officer in the manner established by that office, obtain a review and reconsideration of the application at a regularly scheduled meeting of the City Council in the form of a resolution, whereby the City Council shall either approve or reverse the decision of the Finance Officer. If approved, the approval shall further state if the bingo or lottery is subject to the statutory limitation on compensation as stated at 25.02.05 herein.

25.02.11: APPLICATION INFORMATION AND STATE WIDE FILING REQUIREMENTS

The application submitted to the Finance Office shall also state the prize, the value of the prize, starting date, duration and termination date of the bingo game or lottery, and all additional relevant information required by the Finance Office form. However, any organization that conducts a lottery or sells tickets or shares for a lottery, bingo game, or raffle which are sold state-wide, which sale that has been approved by the office of the Secretary of State, shall also provide written notice to the City Council of such lottery by filing a complete, signed application with all required supporting documentation to the City Finance Office at least 30 days prior to commencement of ticket sales, pursuant to SDCL 22-25-25 (6).

(25.02.10 and 25.02.11 revised by Ordinance 2013-19, effective 11-20-2013)

25.02.12: LEASE OR AGREEMENT TO PROVIDE EQUIPMENT OR SERVICES PROHIBITED

No organization authorized to conduct a bingo game or lottery under this Title may enter into any lease agreement with any other person or organization or provide equipment or services associated with the conduct of a bingo game or lottery. However, this section does not apply to any lease or agreement with a distributor licensed pursuant to SDCL 22-25-28 to 22-25-51, inclusive, to provide bingo or lottery equipment and supplies.

25.02.13: NUMBERING OF CHANCES

All chances or tickets referred to in the definition of "lottery" or "lotteries" shall be numbered consecutively, and the information of the value of the prize and mathematical chance or potential likelihood of purchasing the winning lottery ticket shall be available from each individual selling such lottery or raffle tickets.

25.02.14: AWARDING OF PRIZES

Any lottery where tickets are not sold state-wide, pursuant to SDCL 22-25-25 (6) and permitted under Section 25.02.02, shall have its prizes awarded within the boundaries of the municipality no later than fifteen (15) days after the termination of said lottery, except in cases where the lottery is operated and the tickets are sold in other states.

25.02.15: AFTER LOTTERY REPORT TO FINANCE OFFICER

Any organization conducting a lottery under this Title shall furnish the City Finance Officer, within twenty (20) days after the termination of said lottery, a written report stating the total number of tickets sold, the price per ticket sold, the location of the drawing, a statement of the value of each prize awarded from that lottery, a statement of the name and address of the winner of each prize awarded and a statement of the amount of direct benefit to a local affiliate charity or non-profit, if any. Upon receipt of a complete After Lottery Report, any applicant that paid an application fee of \$100.00 shall have \$75.00 of the application fee returned to it.

(Ordinance replaced in its entirety 3/25/06-Ordinance 2006-03)

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