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Printed Page No. **5**

State of Minnesota  
**HOUSE OF REPRESENTATIVES**  
**Unofficial Engrossment**  
House Engrossment of a Senate File

NINETIETH SESSION

**S. F. No. 444**

- 04/18/2017 Companion to House File No. 68. (Authors:Hoppe)  
Read First Time and Sent for Comparison
- 04/20/2017 Substituted for H. F. No. 68  
Read for the Second Time
- 05/04/2017 By motion, re-referred to the Committee on Ways and Means
- 05/11/2017 Adoption of Report: Placed on the General Register as Amended  
Read for the Second Time
- 05/15/2017 Calendar for the Day, Amended  
Bill was laid on the Table
- 05/18/2017 Bill was taken from the Table  
Read Third Time as Amended  
Passed by the House as Amended and transmitted to the Senate to include Committee and Floor Amendments
- 05/20/2017 Refused to concur and a Conference Committee was appointed

1.1 A bill for an act

1.2 relating to liquor; authorizing service at the State Capitol and other on-sale licenses;

1.3 providing for operation of cocktail rooms; modifying off-sale license for

1.4 microdistilleries; modifying certain production limits; providing for certain off-sale

1.5 container and labeling requirements; requiring microdistilleries and farm wineries

1.6 to distill on premises; permitting municipalities to limit days of sale; establishing

1.7 2018 Super Bowl extended alcohol service hours; amending Minnesota Statutes

1.8 2016, sections 85.0505, by adding a subdivision; 340A.22, subdivisions 1, 2, 4;

1.9 340A.24, subdivision 3; 340A.28; 340A.285; 340A.301, by adding a subdivision;

1.10 340A.315, subdivision 7; 340A.504, subdivision 6; Laws 1999, chapter 202, section

1.11 13, as amended; proposing coding for new law in Minnesota Statutes, chapter

1.12 340A; repealing Laws 2001, chapter 193, section 10, as amended; Laws 2013,

1.13 chapter 137, article 4, section 6.

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

1.15 Section 1. Minnesota Statutes 2016, section 85.0505, is amended by adding a subdivision  
1.16 to read:

1.17 Subd. 3. **Fort Ridgely State Park.** The commissioner of public safety, with the approval

1.18 of the commissioner of natural resources, may issue to a concessionaire, lessee, or person

1.19 holding a contract with the Department of Natural Resources an on-sale license for the sale

1.20 of intoxicating liquor at the Fort Ridgely State Park golf course. The annual fee for the

1.21 license issued pursuant to this subdivision shall be set by the commissioner of public safety

1.22 at an amount comparable to the fee charged by the surrounding counties for a similar license.

1.23 All provisions of chapter 340A not inconsistent with this subdivision shall apply to the sale

1.24 of intoxicating liquor at the Fort Ridgely State Park golf course.

1.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.1 Sec. 2. Minnesota Statutes 2016, section 340A.22, subdivision 1, is amended to read:

2.2 Subdivision 1. **Activities.** (a) A microdistillery licensed under this chapter may provide  
2.3 on its premises samples of distilled spirits manufactured on its premises, in an amount not  
2.4 to exceed 15 milliliters per variety per person. No more than 45 milliliters may be sampled  
2.5 under this paragraph by any person on any day.

2.6 (b) A microdistillery can sell cocktails to the public, pursuant to subdivision 2.

2.7 (c) A microdistillery may not operate a cocktail room under subdivision 2 or conduct  
2.8 sales at off-sale under subdivision 4 unless at least 50 percent of the annual production of  
2.9 the licensee is processed and distilled on premises.

2.10 (d) Distilled spirits produced or in production prior to July 1, 2017, are not counted as  
2.11 part of the calculations under paragraph (c).

2.12 **EFFECTIVE DATE.** This section is effective July 1, 2017.

2.13 Sec. 3. Minnesota Statutes 2016, section 340A.22, subdivision 2, is amended to read:

2.14 Subd. 2. **Cocktail room license.** (a) A municipality, including a city with a municipal  
2.15 liquor store, may issue the holder of a microdistillery license under this chapter a  
2.16 microdistillery cocktail room license. A microdistillery cocktail room license authorizes  
2.17 on-sale of distilled liquor produced by the distiller for consumption on the premises of or  
2.18 adjacent to one distillery location owned by the distiller. Notwithstanding section 340A.504,  
2.19 subdivision 3, a cocktail room may be open and may conduct on-sale business on Sundays  
2.20 if authorized by the municipality. Nothing in this subdivision precludes the holder of a  
2.21 microdistillery cocktail room license from also holding a license to operate a restaurant at  
2.22 the distillery. Section 340A.409 shall apply to a license issued under this subdivision. All  
2.23 provisions of this chapter that apply to a retail liquor license shall apply to a license issued  
2.24 under this subdivision unless the provision is explicitly inconsistent with this subdivision.

2.25 (b) A distiller may only have one cocktail room license under this subdivision, and may  
2.26 not have an ownership interest in a distillery licensed under section 340A.301, subdivision  
2.27 6, clause (a).

2.28 (c) The municipality shall impose a licensing fee on a distiller holding a microdistillery  
2.29 cocktail room license under this subdivision, subject to limitations applicable to license fees  
2.30 under section 340A.408, subdivision 2, paragraph (a).

2.31 (d) A municipality shall, within ten days of the issuance of a license under this  
2.32 subdivision, inform the commissioner of the licensee's name and address and trade name,

3.1 and the effective date and expiration date of the license. The municipality shall also inform  
3.2 the commissioner of a license transfer, cancellation, suspension, or revocation during the  
3.3 license period.

3.4 (e) No single entity may hold both a cocktail room and taproom license, and a cocktail  
3.5 room and taproom may not be colocated.

3.6 **EFFECTIVE DATE.** This section is effective July 1, 2017.

3.7 Sec. 4. Minnesota Statutes 2016, section 340A.22, subdivision 4, is amended to read:

3.8 Subd. 4. **Off-sale license.** A microdistillery may be issued a license by the local licensing  
3.9 authority, with the approval of the commissioner, for off-sale of distilled spirits. The license  
3.10 may allow the sale of ~~one 375 milliliter bottle per customer per day~~ of product manufactured  
3.11 on site, subject to the following requirements:

3.12 (1) off-sale hours of sale must conform to hours of sale for retail off-sale licensees in  
3.13 the licensing municipality; ~~and~~

3.14 (2) no brand may be sold at the microdistillery unless it is also available for distribution  
3.15 by wholesalers; and

3.16 (3) no more than 8,000 proof gallons of the 40,000 proof gallons produced by a distiller  
3.17 can be sold at off-sale on premises.

3.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.19 Sec. 5. Minnesota Statutes 2016, section 340A.24, subdivision 3, is amended to read:

3.20 Subd. 3. **Total retail sales.** A brew pub's total retail sales at on- or off-sale under this  
3.21 section may not exceed 3,500 barrels per year, provided that off-sales may not total more  
3.22 than ~~500~~ 750 barrels.

3.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.24 Sec. 6. Minnesota Statutes 2016, section 340A.28, is amended to read:

3.25 **340A.28 SMALL BREWER OFF-SALE.**

3.26 Subdivision 1. **License; limitations.** A brewer licensed under section 340A.301,  
3.27 subdivision 6, clause (c), (i), or (j), may be issued a license by a municipality for off-sale  
3.28 of malt liquor at its licensed premises that has been produced and packaged by the brewer.  
3.29 The license must be approved by the commissioner. A brewer may only have one license  
3.30 under this subdivision. The amount of malt liquor sold at off-sale may not exceed ~~500~~ 750

4.1 barrels annually. Off-sale of malt liquor shall be limited to the legal hours for off-sale at  
4.2 exclusive liquor stores in the jurisdiction in which the brewer is located, and the malt liquor  
4.3 sold off-sale must be removed from the premises before the applicable off-sale closing time  
4.4 at exclusive liquor stores, except that malt liquor in growlers only may be sold at off-sale  
4.5 on Sundays. Sunday sales must be approved by the licensing jurisdiction and hours may be  
4.6 established by those jurisdictions. Packaging of malt liquor for off-sale under this subdivision  
4.7 must comply with section 340A.285.

4.8 Subd. 2. **Prohibition.** A municipality may not issue a license under this section to a  
4.9 brewer if the brewer seeking the license, or any person having an economic interest in the  
4.10 brewer seeking the license or exercising control over the brewer seeking the license, is a  
4.11 brewer that brews more than ~~20,000~~ 40,000 barrels of its own brands of malt liquor annually  
4.12 or a winery that produces more than 250,000 gallons of wine annually.

4.13 Subd. 3. **Fee.** The municipality shall impose a licensing fee on a brewer holding a license  
4.14 under this subdivision, subject to limitations applicable to license fees under section  
4.15 340A.408, subdivision 3, paragraph (a).

4.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.17 Sec. 7. Minnesota Statutes 2016, section 340A.285, is amended to read:

4.18 **340A.285 GROWLERS.**

4.19 (a) Malt liquor authorized for off-sale pursuant to section 340A.24 or 340A.28 shall be  
4.20 packaged in ~~64-ounce containers commonly known as "growlers" or in 750 milliliter bottles.~~  
4.21 ~~The containers or bottles shall bear a twist-type closure, cork, stopper, or plug~~ any vessel  
4.22 containing between 650 milliliters and two liters. At the time of sale, a paper or plastic  
4.23 adhesive band, strip, or sleeve shall be applied to the container or ~~bottle~~ vessel and extended  
4.24 over the top of the twist-type closure, cork, stopper, or plug forming a seal that must be  
4.25 broken upon opening the container or ~~bottle~~ vessel. The adhesive band, strip, or sleeve shall  
4.26 bear the name and address of the brewer. The containers or ~~bottles~~ vessels shall be identified  
4.27 as malt liquor, contain the name of the malt liquor, bear the name and address of the brew  
4.28 pub or brewer selling the malt liquor, and shall be considered intoxicating liquor unless the  
4.29 alcoholic content is labeled as otherwise in accordance with the provisions of Minnesota  
4.30 Rules, part 7515.1100.

4.31 (b) A brew pub or brewer may, but is not required to, refill any container or ~~bottle~~ vessel  
4.32 with malt liquor for off-sale at the request of the customer. A brew pub or brewer refilling  
4.33 a container or ~~bottle~~ vessel must do so at its licensed premises and the container or ~~bottle~~

5.1 vessel must be filled at the tap at the time of sale. A container or ~~bottle~~ vessel refilled under  
5.2 this paragraph must be sealed and labeled in the manner described in paragraph (a).

5.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.4 Sec. 8. Minnesota Statutes 2016, section 340A.301, is amended by adding a subdivision  
5.5 to read:

5.6 Subd. 12. **3.2 percent malt liquor; label.** 3.2 percent malt liquor, as defined under  
5.7 section 340A.101, subdivision 19, may be sold with a label that states "MAX 3.2% ALC/WT"  
5.8 or equivalent, on the side of the can or bottle, and does not require a similar disclosure on  
5.9 the can top or bottom. The commissioner shall establish standards to implement this  
5.10 requirement.

5.11 **EFFECTIVE DATE.** This section is effective July 1, 2017, and applies to all cans or  
5.12 bottles sold after that date.

5.13 Sec. 9. Minnesota Statutes 2016, section 340A.315, subdivision 7, is amended to read:

5.14 Subd. 7. **Distilled spirits permitted.** Farm wineries licensed under this section are  
5.15 permitted to manufacture distilled spirits as defined under section 340A.101, subdivision  
5.16 9, which may exceed 25 percent alcohol by volume, made from Minnesota-produced or  
5.17 Minnesota-grown grapes, grape juice, other fruit bases, or honey. The following conditions  
5.18 pertain:

5.19 (1) no farm winery or firm owning multiple farm wineries may manufacture more than  
5.20 5,000 gallons of distilled spirits in a given year, and this 5,000 gallon limit is part of the  
5.21 50,000 gallon limit found in subdivision 2;

5.22 (2) a farm winery may not sell at on-sale, off-sale, or wholesale, a distilled spirit that  
5.23 does not qualify as a Minnesota spirit. For purposes of this section, to qualify as a Minnesota  
5.24 spirit, 50 percent of the distilled spirit must be processed and distilled on premises. Distilled  
5.25 spirits produced or in production prior to July 1, 2017, are not counted as part of the  
5.26 calculations under this clause;

5.27 (3) farm wineries must pay an additional annual fee of \$50 to the commissioner before  
5.28 beginning production of distilled spirits; and

5.29 ~~(3)~~ (4) farm wineries may not sell or produce distilled spirits for direct sale to  
5.30 manufacturers licensed under section 340A.301, subdivision 6, paragraph (a).

5.31 **EFFECTIVE DATE.** This section is effective July 1, 2017.

6.1 Sec. 10. **[340A.425] SERVICE AT CAPITOL.**

6.2 Notwithstanding section 340A.412, subdivision 4, paragraph (a), clause (2), the city of  
6.3 St. Paul may issue an on-sale wine and malt liquor license for the premises known as the  
6.4 State Capitol, including the Capitol cafeteria. The commissioner of administration must  
6.5 specify those areas where service is being requested. The Department of Administration  
6.6 shall enter into an agreement with a food service vendor or another vendor on all matters  
6.7 related to the sale of wine and malt liquor in the Capitol. Section 16B.275 does not apply  
6.8 to the sale of wine and malt liquor in the Capitol and all fees charged or profits earned by  
6.9 the Department of Administration from the sale of wine and malt liquor in the Capitol must  
6.10 be deposited in a capitol revenues account in the special revenue fund and are appropriated  
6.11 to the commissioner for capitol preservation. The Capitol cafeteria must sell wine and malt  
6.12 liquor that are made in Minnesota.

6.13 **EFFECTIVE DATE.** This section is effective the day after the governing body of St.  
6.14 Paul and its chief clerical officer timely complete compliance with section 645.021,  
6.15 subdivisions 2 and 3.

6.16 Sec. 11. Minnesota Statutes 2016, section 340A.504, subdivision 6, is amended to read:

6.17 Subd. 6. **Municipalities may limit hours.** A municipality may further limit the days or  
6.18 hours of on and off sales of alcoholic beverages, provided that further restricted on-sale  
6.19 hours for intoxicating liquor must apply equally to on-sale hours of 3.2 percent malt liquor.  
6.20 A city may not permit the sale of alcoholic beverages during hours when the sale is prohibited  
6.21 by this section.

6.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

6.23 Sec. 12. Laws 1999, chapter 202, section 13, as amended by Laws 2013, chapter 42,  
6.24 section 8, is amended to read:

6.25 Sec. 13. **CITY OF ST. PAUL; LICENSES AUTHORIZED.**

6.26 (a) The city of St. Paul may issue temporary intoxicating liquor licenses under Minnesota  
6.27 Statutes, section 340A.404, subdivision 10, to Macalester college for the Macalester Scottish  
6.28 fair, Springfest, and for the annual alumni reunion weekend without regard to the limitation  
6.29 in Minnesota Statutes, section 340A.410, subdivision 10, paragraph (b).

6.30 (b) Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of  
6.31 St. Paul may issue a temporary on-sale intoxicating liquor license to Twin Cities in Motion,  
6.32 or its successor organization, if any. The license may authorize ~~only~~ the sale of intoxicating

7.1 ~~malt liquor and 3.2 percent malt liquor~~ on the grounds of the state capitol on the day of the  
7.2 Twin Cities Marathon. ~~The intoxicating~~ Any malt liquor and 3.2 percent malt liquor sold  
7.3 must be produced by a Minnesota brewery. All provisions of Minnesota Statutes, section  
7.4 340A.404, subdivision 10, not inconsistent with this section, apply to the license authorized  
7.5 by this section.

7.6 **EFFECTIVE DATE.** This section is effective upon approval by the Saint Paul City  
7.7 Council and compliance with Minnesota Statutes, section 645.021.

7.8 **Sec. 13. CITY OF MINNEAPOLIS; SPECIAL LICENSES.**

7.9 The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant  
7.10 located at 4312 Upton Avenue South, notwithstanding any law or local ordinance or charter  
7.11 provision.

7.12 **EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis City  
7.13 Council and compliance with Minnesota Statutes, section 645.021.

7.14 **Sec. 14. SPECIAL EVENTS; CAPITOL.**

7.15 Notwithstanding any law or ordinance to the contrary, the city of St. Paul may issue two  
7.16 separate temporary liquor licenses for special events at the Minnesota Capitol, allowing  
7.17 sale throughout the Capitol building and on the Capitol grounds, as specified by the  
7.18 commissioner of administration. The first special event license shall be for events relating  
7.19 to the ceremonial opening of the restored State Capitol in August 2017. The second special  
7.20 event license shall be for events associated with the Superbowl and the construction of an  
7.21 ice castle in 2018. Licenses shall be for on-sale during all legal hours of service and shall  
7.22 allow all service of wine, malt liquor, and distilled spirits. Service must be limited to wine,  
7.23 malt liquor, and distilled spirits that are made in Minnesota.

7.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of St.  
7.25 Paul and its chief clerical officer timely complete compliance with Minnesota Statutes,  
7.26 section 645.021, subdivisions 2 and 3.

7.27 **Sec. 15. NATIONAL FOOTBALL LEAGUE TRAINING SITE; ON-SALE**  
7.28 **LICENSES.**

7.29 Notwithstanding Minnesota Statutes, section 340A.404, subdivision 1, or any other law  
7.30 or local ordinance to the contrary, the city of Eagan may issue an on-sale intoxicating liquor  
7.31 license to the owner of a National Football League sports facility located on property in the  
7.32 city of Eagan in Dakota County, legally described as Lot 1, Block 1, Viking Lakes, and to

8.1 any concessionaire operator or third-party vendor under contract with the owner. The license  
8.2 authorizes the sale of intoxicating liquor to persons attending any and all events on Lots 1  
8.3 and 2, Block 1, Viking Lakes, that are in conjunction with activities on Lot 1. The license  
8.4 may be issued for a space that is not compact and contiguous, provided that the licensed  
8.5 premises shall only be the space described in the approved license. The license authorizes  
8.6 sales on all days of the week. All provisions of Minnesota Statutes, chapter 340A, not  
8.7 inconsistent with this section, apply to the license under this section.

8.8 **EFFECTIVE DATE.** This section is effective upon approval by the Eagan City Council  
8.9 and compliance with Minnesota Statutes, section 645.021.

8.10 **Sec. 16. SPECIAL LICENSE; NEW HOPE.**

8.11 Notwithstanding any law or ordinance to the contrary, the city of New Hope may issue  
8.12 an on-sale intoxicating liquor license for the New Hope Village Golf Course that is located  
8.13 at 8130 Bass Lake Road and is owned by the city. The provisions of Minnesota Statutes,  
8.14 chapter 340A, not inconsistent with this section, apply to the license issued under this  
8.15 section. The city of New Hope is deemed the licensee under this section, and the provisions  
8.16 of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the  
8.17 establishment were a municipal liquor store.

8.18 **EFFECTIVE DATE.** This section is effective upon approval by the New Hope City  
8.19 Council and compliance with Minnesota Statutes, section 645.021.

8.20 **Sec. 17. SPECIAL LICENSE; SARTELL.**

8.21 The city of Sartell may issue an on-sale intoxicating liquor license, an on-sale wine  
8.22 license, or an on-sale malt liquor license for the city-owned facilities known as Sartell  
8.23 Community Center, located at 850 19th Street South; Pinecone Central Park, located at  
8.24 1105 Central Park Blvd; and Champion Field, located at 710 12th Street North,  
8.25 notwithstanding any law, local ordinance, or charter provision. A license issued under this  
8.26 section authorizes sales on all days of the week to persons attending events at these facilities.

8.27 **EFFECTIVE DATE.** This section is effective upon approval by the Sartell City Council  
8.28 and compliance with Minnesota Statutes, section 645.021.

8.29 **Sec. 18. SPECIAL CLOSING TIMES; 2018 SUPER BOWL.**

8.30 During the 2018 National Football League Super Bowl at U.S. Bank Stadium, licensing  
8.31 jurisdictions that lie fully or partially within Hennepin and Ramsey Counties may, at their

9.1 discretion, issue special permits for service of alcohol through extended hours lasting until  
9.2 4:00 a.m. each day. This section is subject to the following conditions:

9.3 (1) only holders of an existing on-sale intoxicating liquor license or a 3.2 malt liquor  
9.4 license are eligible for later closing hours;

9.5 (2) later closing hours apply only during the period from 12:00 p.m. on February 2,  
9.6 2018, through 4:00 a.m. on February 5, 2018;

9.7 (3) local licensing jurisdictions issuing special permits to operate with extended hours  
9.8 during the days listed in clause (2) may charge a fee up to but not to exceed \$250 for a  
9.9 permit. In the process of issuing a permit under this section, the licensing jurisdiction may  
9.10 limit approval to specified geographic, zoning, or license classifications within its jurisdiction;  
9.11 and

9.12 (4) this section expires at 4:01 a.m. on February 5, 2018.

9.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

9.14 Sec. 19. **REPEALER.**

9.15 Laws 2001, chapter 193, section 10, as amended by Laws 2013, chapter 137, article 4,  
9.16 section 6; and Laws 2013, chapter 137, article 4, section 6, are repealed.

***Laws 2001, chapter 193, section 10, as amended by Laws 2013, chapter 137, article 4, section 6***

Sec. 6. Laws 2001, chapter 193, section 10, is amended to read:

**Sec. 10. CAPITOL CAFETERIA; WINE AND BEER LICENSE.**

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, paragraph (a), clause (2), the city of St. Paul may issue an on-sale wine and malt liquor license to the Capitol cafeteria, also called the Rathskeller Café. The commissioner of administration must enter into an agreement with the food service vendor or another vendor on all matters related to the sale of wine and malt liquor in the Capitol. Minnesota Statutes, section 16B.275, does not apply to the sale of wine and malt liquor in the Capitol cafeteria and all profits earned by the Department of Administration from the sale of wine and malt liquor in the Capitol must be deposited in the arts and cultural heritage fund. The Capitol cafeteria must sell wine and malt liquor that are made in Minnesota.

**EFFECTIVE DATE.** This section is effective the day after the governing body of St. Paul and its chief clerical officer timely complete compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

***Laws 2013, chapter 137, article 4, section 6***

Sec. 6. Laws 2001, chapter 193, section 10, is amended to read:

**Sec. 10. CAPITOL CAFETERIA; WINE AND BEER LICENSE.**

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, paragraph (a), clause (2), the city of St. Paul may issue an on-sale wine and malt liquor license ~~for the premises known as the capitol cafeteria; for special events held at the capitol cafeteria:~~ to the Capitol cafeteria, also called the Rathskeller Café. The commissioner of administration must enter into an agreement with the food service vendor or another vendor on all matters related to the sale of wine and malt liquor in the Capitol. Minnesota Statutes, section 16B.275, does not apply to the sale of wine and malt liquor in the Capitol cafeteria and all profits earned by the Department of Administration from the sale of wine and malt liquor in the Capitol must be deposited in the arts and cultural heritage fund. The Capitol cafeteria must sell wine and malt liquor that are made in Minnesota.

**EFFECTIVE DATE.** This section is effective the day after the governing body of St. Paul and its chief clerical officer timely complete compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.