

restricted advertising of intoxicating liquor is hereby declared to be contrary to public policy. Reasonable rules and regulations restricting advertising to prevent it from counteracting temperance education shall be made by the liquor control commissioner.

Sec. 16. *In compiling the next edition of Minnesota Statutes, whenever the reference "sections 340.07 to 340.40" appears in any section of Minnesota Statutes 1965, Chapter 340, the revisor of statutes is directed to change such reference to "intoxicating liquor act".*

Sec. 17. *None of the provisions contained in sections 1 to 20 shall be deemed to in any way abrogate any right or privilege of any municipality, or of any person, which existed immediately prior to the effective date of this act until July 1, 1969. It is contemplated by the provisions of this section that, in the event any such right or privilege has been inadvertently abrogated or repealed, the 1969 regular session of the legislature will provide a means of correcting the inadvertence.*

Sec. 18. **[340.069] Citation.** *Sections 1 to 20 may be cited as the "intoxicating liquor act", and is a part of Minnesota Statutes 1965, Chapter 340.*

Sec. 19. **Repealer.** *Minnesota Statutes 1965, Sections 340.111, 340.116, 340.117, 340.118, 340.161, 340.36, 340.37, 340.40, 340.411, 340.412, 340.413, 340.72, 340.75, and 624.702 are hereby repealed.*

Sec. 20. **Effective date.** *This act is in effect on and after July 1, 1967.*

Approved February 24, 1967.

CHAPTER 20—S. F. No. 338

[Coded in Part]

An act regulating non-intoxicating malt liquor and providing penalties for the violation of the provisions thereof; amending Minnesota Statutes 1965, Chapter 340 by adding sections thereto; Minnesota Statutes 1965, Sections 340.01; 340.02; and repealing Minnesota Statutes 1965, Sections 340.013; 340.021; 340.022; 340.023; 340.025; 340.026; 340.03; 340.04; 340.05; and 340.06.

Changes or additions indicated by italics, deletions by ~~strikeout~~.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.001] Non-intoxicating Malt Liquor Act; Definitions.
Subdivision 1. For the purposes of the non-intoxicating malt liquor act, except where the context otherwise requires, the terms defined in this section shall have the meanings given them.

Subd. 2. Non-intoxicating malt liquor is any malt liquor containing not less than one-half of one per cent alcohol by volume nor more than 3.2 per cent alcohol by weight and is a fermented malt beverage for the purposes of Minnesota Statutes 1965, Sections 340.44 to 340.56.

Subd. 3. Commissioner is the liquor control commissioner.

Subd. 4. "On-sale" is any sale of non-intoxicating malt liquor to be consumed on the licensed premises.

Subd. 5. "Off-sale" is any sale of non-intoxicating malt liquor to be consumed off the premises.

Subd. 6. Municipality means any city, village, or borough.

Subd. 7. A bona fide club is an organization organized for social purposes, business purposes, for intellectual improvement, or for the promotion of sports where the serving of non-intoxicating malt liquor is incidental to and not the main purpose of the club.

Subd. 8. An affiliate or subsidiary company of a manufacturer shall be one in which the manufacturer or its stockholders own a majority of the stock.

Sec. 2. Minnesota statutes 1965, Section 340.01, is amended to read:

340.01 Licenses. There is hereby conferred upon the governing body of each county, ~~city, village,~~ and ~~borough~~ *municipality* in the state the authority to license and regulate the business of vendors at retail or wholesale of non-intoxicating malt liquors within their respective jurisdictions, to impose a license fee therefor and to provide for the punishment of any violation of any such regulations according to the provisions of law; provided, that no such business may be licensed by the county board to be located in any town, unless the consent of the governing body of such town, if organized, is filed with the application for such license. Before any town board shall give consent to the issuance of any license by the county board in their township, they shall have secured the written recom-

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mentation and the accompanying statement provided for in the following paragraph.

No license shall be issued or renewed by the county board after application has been made therefor until said county board shall have secured the written recommendation of the sheriff and of the county attorney. Said recommendation shall be accompanied by a statement attesting that to the best of their knowledge the applicant has not, within a period of five years prior to the date of such application, violated any law relating to the sale of non-intoxicating malt liquor or of intoxicating liquor and that in their judgment the applicant will comply with the laws and regulations relating to the conduct of said business in the event said license is issued or renewed. Before issuing or renewing any license, the county board shall consider the recommendation of the sheriff and the county attorney, the character and reputation of the applicant, the nature of the business to be conducted, and the type of premises and propriety of the location of said business.

~~Persons holding licenses shall not permit any minor to loiter or remain in the room where non-intoxicating malt liquor is being sold or served unless accompanied by his parent or legal guardian. No license shall be issued or renewed if the applicant within a period of five years prior to the date of such application has been convicted of violating any law relating to the sale of non-intoxicating malt liquor or of intoxicating liquor.~~

Sec. 3. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.013] Non-intoxicating malt liquor license fees; division. *One-half of the fee received by the county for license to sell non-intoxicating malt liquors, at wholesale or retail, in any town in the county shall be paid to the town board where such business is located.*

Sec. 4. Minnesota Statutes 1965, Section 340.02, is amended to read:

340.02 License when required to sell; fees. Subdivision 1. **License required.** *Except as provided in this section, it shall be unlawful to sell non-intoxicating malt liquors, at retail, or wholesale, except when licensed as hereinafter provided. Sales, however, may be made without a license, as provided in section 340.413. There shall be three types of licenses:*

Subd. 2. **“On-sale” fees.** Retail “on-sale” licenses shall permit the licensee to sell such non-intoxicating malt liquors for con-

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sumption on the licensed premises, and the license fee therefor shall be \$10 per annum, unless the county, ~~city, village or borough municipality~~ wherein the premises are situated shall fix a higher fee to be paid to such county, ~~city, village, or borough municipality~~. "On-sale" licenses shall be granted only to drug stores, restaurants, hotels, bona fide clubs, and establishments for the sale of non-intoxicating malt beverages, cigars, cigarettes, all forms of tobacco, beverages, and soft drinks at retail; ~~provided that no manufacturer or wholesaler of such non-intoxicating malt liquors shall have any ownership, in whole or in part, in the business of any licensee holding an "on-sale" license. A bona fide club under sections 340.01, 340.02, and 340.03 to 340.06 is an organization for social or business purposes or for intellectual improvement, or for the promotion of sports, where the serving of such non-intoxicating malt liquors is incidental and not the major purpose of the club.~~

Subd. 3. "Off-sale"; fees. Retail "off-sale" licenses shall permit the licensee to sell non-intoxicating malt liquors in original packages for consumption off the premises only, and the license fee therefor shall be not more than \$15 per annum.

Subd. 4. The liquor control commissioner may issue an "on-sale" license to any railroad company operating within the state which shall permit such railroad company to sell non-intoxicating malt liquors in its dining cars, buffet cars, cafe cars, and observation cars; such company shall keep a duplicate of such license posted in each car where such malt liquors are served. Each railroad company applying for such license shall pay to the liquor control commissioner a fee of \$25 for such license and \$2 for each duplicate thereof, which fee shall be paid into the state treasury.

Subd. 4. *Common carrier licenses; fees. The liquor control commissioner may license a person certificated by either the state of Minnesota or the United States of America, or an agency thereof, as a common carrier engaged in the business of transporting persons for hire in interstate or intrastate commerce to sell, at "on-sale," non-intoxicating malt liquors, but no such license shall be issued unless such common carrier serves meals or lunches in the place where such non-intoxicating malt liquors are to be sold. A person applying for such a license shall pay the liquor control commissioner a fee of \$25 per annum for such license and \$2 for each duplicate thereof. The duplicate of each license shall be posted in each place where non-intoxicating malt liquors are sold by such person. A licensee under this provision may serve non-intoxicating malt liquors only to a bona fide passenger thereof who is actually being transported in interstate or intrastate commerce.*

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Subd. 5. Wholesale license; fees. The commissioner may issue wholesale licenses upon application and payment of a license fee of \$10 per annum, which license shall permit the licensee to sell non-intoxicating malt beverages to holders of on or off-sale retail licenses. The fee therefor shall be paid into the state treasury. Any person licensed under Minnesota Statutes, section 340.402 as a *manufacturer or wholesaler of intoxicating malt liquor*, shall not be required to obtain any such license and may sell non-intoxicating malt beverages at wholesale without further license.

Subd. 6. Manufacturer; prohibitions. *No manufacturer of non-intoxicating malt liquor, nor any affiliate or subsidiary company of such manufacturer, shall sell such non-intoxicating malt liquor except as provided in this section.*

Subd. 6. ~~No manufacturer of non-intoxicating malt liquor, nor any affiliate or subsidiary company of such manufacturer, shall sell such liquor except as herein restricted. An affiliate or subsidiary company shall be one in which such manufacturer or its stockholders own a majority of the stock.~~

Subd. 5: 7. Manufacturer; sales. A manufacturer of non-intoxicating malt liquor may, without license, sell such liquor to licensed dealers holding either "on-sale" or "off-sale" licenses, and may sell and deliver the same in quantities of not less than two gallons, direct to consumers at their homes.

Subd. 7: 8. Persons eligible. Licenses hereunder shall be issued only to persons who are citizens of the United States and who are of good moral character and repute, who have attained the age of 21 years and who are proprietors of the establishments for which the licenses are issued.

Subd. 8. ~~No manufacturer or wholesaler shall, directly or indirectly, or through a subsidiary or affiliate corporation, or by any officer, director, stockholder or partner thereof, give, lend or advance any money, credit, or other thing of value to any retailer or to any person for the benefit or relief of any retailer, nor furnish, give, lend, lease, or sell to any person any furniture, fixtures, fittings, or equipment, nor shall any manufacturer or wholesaler, directly or indirectly, have any interest in, or pay for, any retail licenses; or advance, furnish, lend or give money for the payment of retail license fees or any expense incident to the obtaining of such license; nor shall any manufacturer or wholesaler become bound in any manner, directly or indirectly for the repayment of any loan made to, or the fulfillment of any financial obligation of, any retailer; except that manufacturers or wholesalers may:~~

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(a) furnish, lend, or rent outside signs to retailers, provided the cost of such signs, in the aggregate, furnished, lent, or rented by any manufacturer or wholesaler to any retailer shall not exceed \$100 exclusive of erection, installation, and repair charges; but nothing herein shall be construed as affecting signs owned and located in the state on April 16, 1943; by any such manufacturer or wholesaler; (b) furnish inside signs, miscellaneous advertising matter, and other items not to exceed, in the aggregate, a cost of \$25 in any calendar year to any one retailer; (c) furnish or maintain for retailers such equipment as is designed and intended to preserve and maintain the sanitary dispensing of non-intoxicating malt liquors, provided the expense incurred thereby does not exceed the sum of \$25 per tap per calendar year; no part of which shall be paid in cash to any retailer; (d) acquire within ten days after April 16, 1943; any furniture, fixtures, fittings, and equipment of any valid lien thereon or interest therein, which were actually installed on the premises of any retailer prior to April 16, 1943; (e) lease or lend to the owner of the premises; or to any retailer now or hereafter occupying the premises; any furniture, fixtures, fittings; and equipment actually located on said premises on April 16, 1943.

Subd. 9. Any such manufacturer or wholesaler who, within ten days after April 16, 1943, owns any furniture, fixtures, fittings; or equipment in possession of any retailer on April 16, 1943; may, within 90 days thereafter, sell the same to such retailer only for cash on delivery and deliver a bill of sale to the same.

Subd. 10. No manufacturer or wholesaler shall hereafter, directly or indirectly, or through a subsidiary or affiliate corporation, or by any officer, director, stockholder, or partner, enter into any agreement, oral or written, whether or not incorporated in any chattel mortgage, conditional sales contract, bill of sale, lease land contract, mortgage, deed, or other instrument, wherein and whereby any retailer is required to purchase the non-intoxicating malt liquor of any manufacturer to the exclusion, in whole or in part, of the products of other manufacturers.

Subd. 11. Any retailer who shall be a party to any violation of subdivision 8 or subdivision 9 or who shall receive the benefits thereof shall be equally guilty of a violation of the provisions thereof and shall be subject to the penalty hereinafter provided.

Subd. 12. Any person who shall violate the provisions of subdivision 8 or subdivision 9 shall be guilty of a gross misdemeanor and each violation shall constitute a separate offense.

Subd. 9. Licenses; duration. All licenses for the sale of

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non-intoxicating malt liquor shall be issued for a period of one year, except that for the purpose of coordinating the time of expiration of licenses in general, such licenses may be issued for a shorter time to expire at a given period of the year, in which case a pro rata fee shall be charged.

Subd. 10. Manufacturer's employees sales. *A manufacturer of non-intoxicating malt liquor may, without license, sell non-intoxicating malt beverages to any employee of such manufacturer or to any former employee who has retired from such employment because of age or physical disability. Such beverages shall be sold for consumption off the premises only, and the amount sold to any one person in any one week, together with any intoxicating malt liquor sold under Minnesota Statutes, Section 340.413, shall not exceed 768 fluid ounces.*

Subd. 11. Licenses; fee refunds; certain extensions. *In case during the term of any "off-sale" or "on-sale" non-intoxicating malt beverages license, the place of business of any licensee shall be destroyed or so damaged by fire, or otherwise, that the licensee shall cease to carry on the licensed business, or in case the business of the licensee shall cease by reason of his illness or death, or if it shall become unlawful for the licensee to carry on the licensed business under his license, except when such license is revoked, the licensing authority may, upon the happening of any such event, refund to the licensee or to his estate such part of the license fee paid by him as corresponds to the time such license had yet to run. In case of death of any licensee of any "off-sale" or "on-sale" non-intoxicating malt beverages, his personal representative is hereby authorized to continue operation of said business for not more than 90 days after the death of such licensee. This section shall apply to licenses issued after January 1, 1944.*

Subd. 12. 3.2 Licensees; federal liquor stamps. *No license for the sale of non-intoxicating malt liquor, containing not more than 3.2 per cent of alcohol by weight, shall be issued to any person who is also the owner and holder of, or to whom there is hereafter issued, a federal retail liquor dealer's special tax stamp for the sale of intoxicating liquor at any place unless there has also been issued to such person a license to sell intoxicating liquor pursuant to the laws of this state at such place; and the non-intoxicating malt liquor license of any person who is also the owner and holder of, or to whom there is hereafter issued, such federal retail liquor dealer's special stamp, and who does not have a license to sell intoxicating liquors pursuant to the laws of this state for such place,*

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shall be forthwith revoked by the governing body issuing the same, without notice and without a hearing on such revocation.

Subd. 13. Licensees; misdemeanor to hold federal liquor stamps. *Any person who sells non-intoxicating malt liquor, containing not more than 3.2 per cent alcohol by weight, while holding or exhibiting in his place of business a federal retail liquor dealer's special tax stamp, without having an intoxicating liquor license under the laws of Minnesota, shall be guilty of a misdemeanor.*

Sec. 5. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.031] Manufacturers and wholesalers. *Subdivision 1. No manufacturer or wholesaler of non-intoxicating malt liquor shall have any ownership, in whole or in part, in the business of any licensee holding an "on-sale" license.*

Subd. 2. No manufacturer or wholesaler shall, directly or indirectly, or through a subsidiary or affiliate corporation, or by any officer, director, stockholder, or partner thereof, give, lend, or advance any money, credit, or other thing of value to any retailer or to any person for the benefit or relief of any retailer, nor furnish, give, lend, lease, or sell to any person any furniture, fixtures, fittings, or equipment; nor shall any manufacturer or wholesaler, directly or indirectly, have any interest in, or pay for, any retail licenses, or advance, furnish, lend, or give money for the payment of retail license fees or any expense incident to the obtaining of such license; nor shall any manufacturer or wholesaler become bound in any manner, directly or indirectly, for the repayment of any loan made to, or the fulfillment of any financial obligation of, any retailer; except that manufacturers or wholesalers may:

(a) furnish, lend, or rent outside signs to retailers, provided the cost of such signs, in the aggregate, furnished, lent, or rented by any manufacturer or wholesaler to any retailer shall not exceed \$100, exclusive of erection, installation, and repair charges; but nothing herein shall be construed as affecting signs owned and located in the state on April 16, 1943, by any such manufacturer or wholesaler; (b) furnish inside signs, miscellaneous advertising matter, and other items not to exceed, in the aggregate, a cost of \$25 in any calendar year to any one retailer; (c) furnish or maintain for retailers such equipment as is designed and intended to preserve and maintain the sanitary dispensing of non-intoxicating malt liquors, provided the expense incurred thereby does not exceed the sum of \$25 per tap per calendar year, no part of which shall be paid in cash to any retailer; (d) lease or lend to the owner of the premises,

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or to any retailer now or hereafter occupying the premises, any furniture, fixtures, fittings, and equipment actually located on said premises on April 16, 1943.

Any retailer who shall be a party to any violation of this subdivision or who shall receive the benefits thereof shall be equally guilty of a violation of the provisions thereof and shall be subject to the penalty hereinafter provided.

Any person who shall violate the provisions of this subdivision is guilty of a gross misdemeanor, and each violation shall constitute a separate offense.

Subd. 3. No manufacturer or wholesaler shall hereafter, directly or indirectly, or through a subsidiary or affiliate corporation, or by any officer, director, stockholder, or partner, enter into any agreement, oral or written, whether or not incorporated in any chattel mortgage, conditional sales contract, bill of sale, lease land contract, mortgage, deed, or other instrument, wherein and whereby any retailer is required to purchase the non-intoxicating malt liquor of any manufacturer to the exclusion, in whole or in part, of the products of other manufacturers.

Sec. 6. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.032] Importers. *Subdivision 1. No non-intoxicating malt liquor shall be shipped into this state except by a person licensed in the manner provided in Minnesota Statutes, Section 340.493.*

Subd. 2. All non-intoxicating malt liquors manufactured outside the state of Minnesota may be shipped into this state for sale only to a licensed Minnesota wholesaler and shall be unloaded into such wholesaler's warehouse in Minnesota, and said licensed wholesaler shall distribute said malt beverages from such warehouse; provided that the requirements of this section as to warehousing shall not apply to a wholesaler located in any adjoining state which permits Minnesota wholesale licensees to deliver malt beverages to retailers without warehousing in that state.

Sec. 7. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.033] Size of containers. *Notwithstanding any law or regulation of any state department to the contrary, non-intoxicating malt liquors may be sold in containers which contain 128 ounces of such non-intoxicating malt liquor.*

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Sec. 8. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.034] Sales; closing hours. *Subdivision 1. No sale of non-intoxicating malt liquor shall be made between the hours of one a.m. and eight a.m. on any week day Monday through Saturday inclusive. Neither shall any sale of such liquor be made on any Sunday between the hours of one a.m. and twelve o'clock noon, nor between the hours of one a.m. and eight o'clock p.m. on any election day in the district in which the election is held, except that the governing body of a municipality may allow such sale in such municipality during such hours while only a town election is being held in such municipality.*

Subd. 2. It shall be beyond the power of any political subdivision of this state to authorize or permit the sale of non-intoxicating malt liquors at hours when such sale is prohibited by the provisions of this section, but such political subdivisions may, within the time the laws of this state permit such sale, further limit the hours of the sale of non-intoxicating liquors, provided that such limited hours for sale shall apply to both non-intoxicating malt liquors and intoxicating liquors.

Subd. 3. Any violation of this section is a misdemeanor and shall also be cause for the revocation or suspension of the license of the offender.

Sec. 9. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.035] Minors. *Subdivision 1. It shall be unlawful for any:*

(1) Licensee or his employee to sell or serve non-intoxicating malt liquor to any minor or to permit any minor to consume non-intoxicating malt liquor on the licensed premises or to permit any minor to loiter or to remain in the room where non-intoxicating malt liquor is being sold or served unless accompanied by his parent or legal guardian;

(2) Person other than the parent or legal guardian to procure non-intoxicating malt liquor for any minor;

(3) Person to induce a minor to purchase or procure non-intoxicating malt liquor;

(4) Minor to misrepresent his age for the purpose of obtaining non-intoxicating malt liquor;

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(5) *Minor to consume any non-intoxicating malt liquor unless in the company of his parent or guardian;*

(6) *Minor to have in his possession any non-intoxicating malt liquor, with intent to consume same at a place other than the household of his parent or guardian. Possession of such non-intoxicating malt liquor at a place other than the household of his parent or guardian shall be prima facie evidence of intent to consume the same at a place other than the household of his parent or guardian.*

Subd. 2. *A person violating any provision of this section is guilty of a misdemeanor.*

Sec. 10. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.036] Penalties. *Except where a different penalty is otherwise provided for, a person violating a provision of this act is guilty of a misdemeanor.*

Sec. 11. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.037] Savings clause. *None of the provisions contained in Sections 1 to 13 shall be deemed to in any way abrogate any right or privilege of any municipality, or of any person, which existed immediately prior to the effective date of this act. It is contemplated by the provisions of this section that no municipality or person shall be deprived of any right or privilege conferred by any provision of law as it existed immediately prior to the enactment of the non-intoxicating malt liquor act.*

Sec. 12. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.038] Citation. *This act may be cited as the non-intoxicating malt liquor act. None of its provisions, however, shall be construed to apply to a non-intoxicating malt liquor containing less than 1/2 of one percent of alcohol by volume.*

Sec. 13. **Repealer.** *Minnesota Statutes 1965, Sections 340.013, 340.021, 340.022, 340.023, 340.025, 340.026, 340.03, 340.04, 340.05, and 340.06, are repealed.*

Approved February 24, 1967.

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