

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

Section 1. ST. LOUIS COUNTY; SHORT TERM ON-SALE LIQUOR LICENSES. In addition to the number of licenses permitted pursuant to Minnesota Statutes, Section 340.11, Subdivision 10, the county board of St. Louis county may issue not more than five additional seasonal on-sale licenses for the sale of intoxicating liquor. The fee for such licenses, which shall be valid for a specified period of not to exceed six months, shall be fixed by the county board. Not more than one license shall be issued for any one premises during any consecutive 12 month period. All other provisions of Minnesota Statutes, Section 340.11, Subdivision 10 governing the issuance of licenses and of chapter 340 governing the sale of intoxicating liquor shall apply to a license issued pursuant to this act.

Sec. 2. This act is effective upon approval by the county board of St. Louis county and upon compliance with Minnesota Statutes, Section 645.021.

Approved May 24, 1973.

CHAPTER 664—H.F.No.2107

[Coded in Part]

An act relating to intoxicating liquor; regulation of the on-sale thereof; prohibiting discrimination by importers; granting the liquor control commissioner subpoena powers; removing the residency requirement for obtaining a wholesaler's or manufacturer's license; regulating the advertising of intoxicating liquor; providing for a penalty; providing for joint purchases; reducing excise tax on liquor; providing for filing of wholesale price schedules; amending Minnesota Statutes 1971, Chapter 340, by adding sections; Sections 340.07, Subdivision 5; 340.09; 340.11, Subdivision 2; 340.15; 340.19; 340.47; 340.983; and repealing Minnesota Statutes 1971, Sections 340.97; 340.971; 340.972; 340.973; 340.974; 340.975; 340.976; 340.977; 340.978; 340.98; 340.981; 340.9815; 340.982; 340.984; and 340.985.

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

Section 1. Minnesota Statutes 1971, Section 340.07, Subdivision 5, is amended to read:

Subd. 5. INTOXICATING LIQUOR; REGULATION. "On-sale" means the sale of liquor by the glass or by the drink for

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consumption on the premises only pursuant to such regulations as the commissioner may prescribe.

Sec. 2. Minnesota Statutes 1971, Chapter 340, is amended by adding a section to read:

[340.114] UNLAWFUL DISCRIMINATION PROHIBITED.

Subdivision 1. All licensed importers shall offer for sale on an equal basis to all licensed wholesalers and manufacturers all intoxicating liquor brought into the state of Minnesota.

Subd. 2. Without limiting subdivision 1, the following shall be deemed failures to offer intoxicating liquor for sale on an equal basis and are unlawful:

(a) A refusal to sell any intoxicating liquor to a wholesaler or manufacturer, which is offered for sale to any other wholesaler or manufacturer, except when a wholesaler or manufacturer is in arrears on payments for past purchases from the importer who refuses to sell.

(b) A sale of any intoxicating liquor to any wholesaler or manufacturer at a price different from that offered to any other wholesaler or manufacturer, exclusive of shipping costs, except that quantity discounts based upon actual cost savings may be uniformly offered to all wholesalers and manufacturers.

(c) A sale of any intoxicating liquor to any wholesaler or manufacturer on terms of purchase different from those offered any other wholesaler or manufacturer, except that when the importer reasonably believes that a wholesaler or manufacturer will be unable to comply with the existing terms of credit, then other terms may be employed, including denial of credit.

(d) Any discrimination among wholesalers and manufacturers in satisfying their respective demands for any intoxicating liquor.

(e) A sale conditioned upon an agreement which restricts the wholesaler or manufacturer with respect to customers, area for distribution, or resale price, or which otherwise restrains the wholesaler or manufacturer from competing in trade and commerce.

(f) For purposes of this subdivision and subdivision 1 only, the term "intoxicating liquor" shall not include "pop wines" as the same are defined by regulation of the commissioner.

Subd. 3. No licensed importer or manufacturer shall offer or sell to any licensed wholesaler any intoxicating liquor at a bottle or case price which is higher than the lowest price at which such item of liquor is contemporaneously being sold by such importer or

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manufacturer to any wholesaler anywhere in any other state of the United States or in the District of Columbia or to any state or state agency which owns and operates retail liquor stores.

In determining the lowest price for which any item of liquor is being sold in any other state or in the District of Columbia, or to any state or state agency which owns and operates retail liquor stores, appropriate reductions shall be made to reflect all discounts, rebates, free goods, allowances and other inducements of any kind whatsoever offered or given to any such wholesaler, state, or state agency purchasing such item in such other state or in the District of Columbia; provided that nothing contained herein shall prevent differentials in price which make only due allowance for differences in state taxes and fees, and in the actual cost of delivery. As used in this subdivision, the term "state taxes or fees" shall mean the excise taxes imposed or the fees required by any state or the District of Columbia based upon a gallon of liquor.

Subd. 4. Nothing in this section shall apply to any wines or malt beverages regardless of alcoholic content.

Sec. 3. Minnesota Statutes 1971, Section 340.09, is amended to read:

340.09 LIQUOR CONTROL COMMISSIONER; POWERS.
Subdivision 1. The principal office of the liquor control commissioner shall be in the city of Saint Paul. He may appoint a secretary and such inspectors, clerks, and other assistants as he may require. All employees of the commissioner shall be in the classified service. He shall set up an adequate system for the administration of the provisions of chapter 340, and have supervision over and power to regulate all forms of advertising and display of liquors as provided in section 340.15.

Subd. 2. The commissioner shall have power to require periodic factual reports from all licensed importers, manufacturers, wholesalers and retailers of intoxicating liquors and to make all reasonable regulations to effect the object of such chapter 340 and to fix maximum prices from time to time on all liquors sold at wholesale. Such regulations shall include provisions for assuring the purity of intoxicating liquors and the true statement of its contents and proper labeling thereof with regard to all forms of sale.

Subd. 3. In all matters relating to his official duties, the commissioner shall have the powers possessed by courts of law to issue subpoenas and cause them to be served and enforced. All public officials, and their respective deputies and employees, and all individuals, partnerships, firms, corporations, incorporated and unincorporated associations, and others who manufacture, transport, or sell intoxicating liquor, or are connected therewith in any

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manner, shall at all times attend and answer under oath the commissioner's lawful inquiries, produce and exhibit such books, accounts, documents and property as he may desire to inspect, and in all things aid him in the performance of his duties.

Sec. 4. Minnesota Statutes 1971, Section 340.11, Subdivision 2, is amended to read:

Subd. 2. **WHOLESALERS' AND MANUFACTURERS' LICENSES.** Manufacturers' and wholesalers' licenses shall be issued by the liquor control commissioner.

~~A manufacturer's or wholesaler's license shall include the right to import. The business of manufacturer and wholesaler may be combined and carried on under one license issued therefor. No wholesaler's license shall be granted to any person or partnership unless the person or each member of a partnership applying for such license shall have been a resident of the state for a period of five years continuously immediately prior to such application for a license, and that such person shall have voted at least twice during said period of five years at a general state election if two general state elections have been had since such person reached his majority. No wholesaler's license shall be granted to any corporation unless all of the officers, directors, and stockholders, who own or control more than 75 percent of the stock by value and 75 percent of the voting rights of the stock, of such corporation applying for a license shall have been residents of the state for a period of five years continuously immediately prior to such application for a license and any and all such persons shall have voted at least twice during said period of five years at a general state election if two general state elections have been had since such person reached his majority. A person, partnership, or corporation lawfully licensed as a wholesaler in the state of Minnesota March 27, 1945, shall not be subject to any residence or voting requirements to renew his wholesaler's license, nor shall his successor or assigns who acquire substantially all of the property of such licensee. A person who served in the Armed Forces of the United States of America during any time since July 1, 1942, shall be given credit as having voted at any general election held during the time he served in the Armed Forces of the United States of America.~~

Sec. 5. Minnesota Statutes 1971, Section 340.15, is amended to read:

340.15 REGULATION OF ADVERTISING. Subdivision 1. The unrestricted 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.

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Subd. 2. No wholesaler or other person shall communicate to a retailer at off-sale in any manner a suggested retail price for the sale of intoxicating liquor.

Sec. 6. Minnesota Statutes 1971, Section 340.19, is amended to read:

340.19 REMOVAL OF OFFICERS; LICENSES REVOKED; BONDS FORFEITED; VIOLATIONS. (1) The failure on the part of any duly constituted public officer, charged by law with the enforcement of the intoxicating liquor act shall constitute non-feasance in office and shall be valid ground for the removal of such officer.

(2) When any licensee shall wilfully violate the provisions of the intoxicating liquor act his license shall be immediately revoked and his bond forfeited, and no license of any class shall for a term of five years thereafter be issued to the same person or to any person who at the time of the violation owns any interest, whether as holder of more than five percent of the capital stock of a corporation licensee, as partner, or otherwise, in the premises or in the business conducted thereon, or to any corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested.

(3) Whoever, in violation of the provisions of the intoxicating liquor act, shall manufacture intoxicating liquor for the purposes of sale shall be guilty of a gross misdemeanor.

(4) Whoever, in violation of the provisions of the intoxicating liquor act, shall transport or import into the state liquor for the purposes of sale shall be guilty of a gross misdemeanor.

(5) Whoever shall sell directly or indirectly any intoxicating liquor without having a license for such sale shall be guilty of a gross misdemeanor.

(6) Whoever shall violate any of the provisions of the intoxicating liquor act as to sale, licensing, or any of the regulatory provisions pertaining thereto, as herein provided, shall be guilty of a misdemeanor.

(7) Whoever refuses or neglects to obey any lawful direction of the liquor control commissioner, or his deputy or any of his assistants; withholds any information, book, record, paper, or other thing called for by him for the purpose of examination; obstructs or misleads him in the execution of his duties; or swears falsely concerning any matter stated under oath shall be guilty of a gross misdemeanor.

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(7) (8) The liquor control commissioner shall have the power to institute proceedings to cancel or revoke the licensing of any pharmacist or druggist as such pharmacist or druggist who shall violate the provisions of the intoxicating liquor act.

Sec. 7. Minnesota Statutes 1971, Chapter 340, is amended by adding a section to read:

[340.408] JOINT PURCHASES. The joint purchase for resale to the general public of 300 or fewer quart or smaller bottles of intoxicating liquor by more than one person lawfully permitted to sell intoxicating liquor to the general public is lawful. No rule or regulation pursuant to chapter 340 shall prohibit a lawful purchase pursuant to this section.

Sec. 8. Minnesota Statutes 1971, Section 340.47, is amended to read:

340.47 EXCISE TAX. Subdivision 1. **ON INTOXICATING LIQUORS.** There shall be levied and collected on all intoxicating liquors manufactured, imported, sold or in possession of any person in this state, except as herein provided by sections 340.50 and 340.601, and except the natural fermentation of fruit juices in the home for family use the following excise tax:

- (1) On all unfortified wines, the sum of 27 cents per gallon;
- (2) On all fortified wines from 14 to 21 percent of alcohol by volume, the sum of 79 cents per gallon;
- (3) On all fortified wines from 21 to 24 percent of alcohol by volume, the sum of \$1.58 per gallon;
- (4) On all fortified wines containing more than 24 percent of alcohol by volume, the sum of \$3.08 per gallon;
- (5) On all natural and artificial sparkling wines containing alcohol, the sum of \$3.08 per gallon;
- (6) On all other distilled spirituous liquors, liqueurs, cordials, and liquors designated as specialties regardless of alcoholic content, the sum of ~~\$4.53~~ \$4.39 per gallon, but not including ethyl alcohol; provided, that in computing the tax on any package of spirits a proportional tax at a like rate on all fractional parts of a gallon shall be paid except that all fractional parts of a gallon less than one-sixteenth shall be taxed at the same rate as shall be taxed for one-sixteenth of a gallon; provided, however, that the contents of miniatures containing two fluid ounces or less shall be taxed 12 cents.

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Subd. 2. **ON FERMENTED MALT BEVERAGES.** An excise tax is hereby assessed, imposed, and levied upon the sale, either directly or indirectly of fermented malt beverages other than for shipment in interstate or foreign commerce. Such tax shall not be imposed or collected upon fermented malt beverages given away by a brewery for consumption only upon the brewery premises, for which no charge of any kind is made or collected; nor shall fermented malt liquors distributed to brewery employees for consumption only upon the brewery premises pursuant to a contract of employment be subject to such tax. Such tax shall be levied and collected at the rate of \$2.00 per barrel of 31 gallons, containing not more than 3.2 percent of alcohol by weight, and a tax of \$4.00 per barrel of 31 gallons containing more than 3.2 percent of alcohol by weight, and at a proportional rate for fractional parts thereof. All the receipts from these taxes shall be paid into the general fund by the liquor control commissioner.

Sec. 9. Minnesota Statutes 1971, Section 340.983, is amended to read:

340.983 FILING OF WHOLESALE PRICE SCHEDULE. No brand owner or wholesaler of distilled liquor or wine shall sell, offer for sale, or solicit any order for distilled liquor or wine unless a schedule of wholesale prices, which ~~may~~ shall include varying volume prices, is filed with the commissioner, on a form prescribed by him, and no sales shall be made except in accordance with such prices. Such forms shall provide for the listing of the price, including any varying volume prices, at which each brand distributed by the filing wholesaler or brand owner is sold. The commissioner shall maintain such filings in such a manner as to make their contents easily accessible to the public. The filings required under this section shall be made not later than the tenth day of each month, and the schedule of filed prices shall be effective from that day until the tenth day of the next month, provided that any filing may be amended within five days after its filing. The commissioner shall provide copies of such filings to any person requesting them, and may charge a reasonable fee therefor. Any person may examine such filings in the office of the commissioner, and no charge shall be made for such examination.

No volume price filed pursuant to this section shall be for a quantity in excess of 300 quarts.

Sec. 10. Minnesota Statutes 1971, Sections 340.97; 340.971; 340.972; 340.973; 340.974; 340.975; 340.976; 340.977; 340.978; 340.98; 340.981; 340.9815; 340.982; 340.984; and 340.985, are repealed.

Approved May 24, 1973.

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