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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3722

02/24/2022 Authored by Stephenson

The bill was read for the first time and referred to the Committee on Public Safety and Criminal Justice Reform Finance and Policy

03/14/2022 Adoption of Report: Amended and re-referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to liquor; modifying on-sale license provision; establishing a liquor
1.3 regulation advisory council; appropriating money for additional employees in the
1.4 Division of Alcohol and Gambling Enforcement; amending Minnesota Statutes
1.5 2020, section 340A.404, subdivision 1; proposing coding for new law in Minnesota
1.6 Statutes, chapter 340A.

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

1.8 Section 1. Minnesota Statutes 2020, section 340A.404, subdivision 1, is amended to read:

1.9 Subdivision 1. Cities. (a) A city may issue an on-sale intoxicating liquor license to the
1.10 following establishments located within its jurisdiction:

1.11 (1) hotels;

1.12 (2) restaurants;

1.13 (3) bowling centers;

1.14 (4) clubs or congressionally chartered veterans organizations with the approval of the
1.15 commissioner, provided that the organization has been in existence for at least three years
1.16 and liquor sales will only be to members and bona fide guests, except that a club may permit
1.17 the general public to participate in a wine tasting conducted at the club under section
1.18 340A.419;

1.19 (5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the
1.20 Minnesota Sports Facilities Authority;

1.21 (6) sports facilities located on land owned by the Metropolitan Sports Commission; and

1.22 (7) exclusive liquor stores.

2.1 (b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or
2.2 an on-sale malt liquor license to a theater within the city, notwithstanding any law, local
2.3 ordinance, or charter provision. A license issued under this paragraph authorizes sales on
2.4 all days of the week to persons attending events at the theater.

2.5 (c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or
2.6 an on-sale malt liquor license to a convention center within the city, notwithstanding any
2.7 law, local ordinance, or charter provision. A license issued under this paragraph authorizes
2.8 sales on all days of the week to persons attending events at the convention center. This
2.9 paragraph does not apply to convention centers located in the seven-county metropolitan
2.10 area.

2.11 (d) A ~~city~~ municipality may issue an on-sale wine license and an on-sale malt liquor
2.12 license to a person who is the owner of a summer collegiate league baseball team, or baseball
2.13 team competing in a league established by the Minnesota Baseball Association, or to a
2.14 person holding a concessions or management contract with the owner, for beverage sales
2.15 at a ballpark or stadium located within the ~~city~~ municipality for the purposes of summer
2.16 collegiate league baseball games, town ball games, and any other events at the ballpark or
2.17 stadium, notwithstanding any law, local ordinance, or charter provision. A license issued
2.18 under this paragraph authorizes sales on all days of the week to persons attending baseball
2.19 games and any other events at the ballpark or stadium.

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

2.21 Sec. 2. **[340A.915] LIQUOR REGULATION ADVISORY COUNCIL.**

2.22 **Subdivision 1. Creation; composition.** (a) There is created a permanent Liquor
2.23 Regulation Advisory Council. This council does not expire unless the council no longer
2.24 fulfills the purpose for which the council was established, the council has not met in the
2.25 last 18 months, or the council does not comply with the registration requirements of section
2.26 15.0599, subdivision 3. The council shall consist of nine voting members, to be appointed
2.27 by the governor as follows:

2.28 (1) three members must represent retailers, as follows:

2.29 (i) one member must represent or be employed by a municipal liquor store established
2.30 under section 340A.601;

2.31 (ii) one member must represent or be employed by an exclusive liquor store; and

3.1 (iii) one member must represent or be employed by a restaurant that has been issued an
3.2 on-sale intoxicating liquor license under section 340A.404, subdivision 1, paragraph (a),
3.3 clause (2), or subdivision 6;

3.4 (2) three members must represent wholesalers, as follows:

3.5 (i) one member must be a member of an organized labor organization representing the
3.6 employees of a wholesaler;

3.7 (ii) one member must represent or be employed by a wholesaler of distilled spirits; and

3.8 (iii) one member must represent or be employed by a malt liquor wholesaler other than
3.9 a wholesaler described in section 340A.301, subdivision 9, paragraph (g); and

3.10 (3) three members must represent manufacturers, as follows:

3.11 (i) one member must be the holder of a brewer's license under section 340A.301,
3.12 subdivision 6, paragraph (c), (i), or (j), that brews no more than 20,000 barrels of its own
3.13 brands of malt liquor annually;

3.14 (ii) one member must be the holder of a microdistillery license under section 340A.22;
3.15 and

3.16 (iii) one member must represent or be employed by a licensed manufacturer other than
3.17 a manufacturer described in item (i) or (ii).

3.18 (b) Each council member shall appoint an alternate. Alternates shall serve in the absence
3.19 of the member they replace.

3.20 (c) The appointed voting members shall serve for terms of five years and may be
3.21 reappointed.

3.22 (d) The speaker of the house and minority leader of the house of representatives shall
3.23 each appoint a caucus member as a liaison to the council. The majority and minority leaders
3.24 of the senate shall each appoint a caucus member to serve as a liaison to the council.

3.25 (e) The compensation and removal of members shall be as provided in section 15.059.

3.26 (f) The governor must appoint a member of the council to serve as chair. The chair is
3.27 the presiding officer at all meetings of the council.

3.28 Subd. 2. **Duties; recommendations.** The council must submit its recommendations with
3.29 respect to amendments to this chapter having a statewide impact by February 1 of each year
3.30 to the committees of the legislature with jurisdiction over liquor regulation and shall report
3.31 its views upon any pending bill relating to this chapter to the proper legislative committee.

4.1 A recommendation may not be made by the council unless it is supported by a majority of
4.2 the council members, provided that at least one member from each group described in
4.3 subdivision 1, paragraph (a), clauses (1) to (3), supports the recommendation. At the request
4.4 of the chairs of the senate or house of representatives committees that hear liquor regulation
4.5 matters, the commissioner or the commissioner's designee must schedule a meeting of the
4.6 council with the members of the committees to discuss matters of legislative concern arising
4.7 under this chapter.

4.8 Subd. 3. **Meetings; voting.** (a) The council must meet as frequently as necessary to
4.9 carry out its duties and responsibilities. The council may also conduct public hearings
4.10 throughout the state as may be necessary to give interested persons an opportunity to
4.11 comment and make suggestions on the operation of the state's regulatory system for alcoholic
4.12 beverages.

4.13 (b) The meetings of the council are subject to the state's Open Meeting Law, chapter
4.14 13D, except that each group described in subdivision 1, paragraph (a), clauses (1) to (3),
4.15 may meet in separate closed caucuses for the purpose of deliberating on matters before the
4.16 council. All votes of the council must be public and recorded.

4.17 Subd. 4. **Executive director.** (a) The commissioner or the commissioner's designee
4.18 must appoint an executive director of the council.

4.19 (b) The executive director shall provide administrative support and information to the
4.20 council in order to allow it to monitor all elements of Minnesota's regulatory system for
4.21 alcoholic beverages.

4.22 Subd. 5. **Administrative support.** The commissioner must supply necessary office
4.23 space, supplies, and staff support to assist the council and its executive director in their
4.24 duties.

4.25 **EFFECTIVE DATE.** This section is effective after June 30, 2022.

4.26 Sec. 3. **APPROPRIATION.**

4.27 \$250,000 in fiscal year 2023 is appropriated from the general fund to the commissioner
4.28 of public safety for the purpose of hiring two additional full-time employees in the Division
4.29 of Alcohol and Gambling Enforcement.