A bill for an act

relating to alcohol; allowing the state fair to issue liquor licenses; amending Minnesota Statutes 2008, sections 37.21; 340A.404, subdivision 5; 461.12, subdivision 1.

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

Section 1. Minnesota Statutes 2008, section 37.21, is amended to read:

37.21 SALE OF LIQUORS.

Subdivision 1. **Liquor prohibited.** Except as provided ~~under Laws 2003, chapter 126, section 29, as amended by Laws 2005, chapter 25, section 6~~ in subdivision 2, no person may sell, barter, give away, or otherwise dispose of or introduce, have, or keep for barter, gift, or sale, any intoxicating liquors of any kind upon the State Fairgrounds, or aid and abet any of those acts. The presence and possession of any kind of these liquors, in any quantity, upon the person or upon the premises leased or occupied by any person within these limits is a public nuisance and is prima facie evidence of the purpose of the person to barter, give away, or sell the liquor. Any person who violates this section is guilty of a misdemeanor.

Subd. 2. **Exceptions.** ~~Notwithstanding subdivision 1,~~ The State Agricultural Society may authorize, under terms and conditions it chooses, the sale, possession, and consumption of intoxicating liquors at special events taking place on the fairgrounds at times other than during the annual fair including, but not limited to, family reunions, class reunions, weddings, conventions, and similar events. ~~This section does not authorize the society to issue retail licenses for the sale of alcoholic beverages. Notwithstanding subdivision 1,~~ The State Agricultural Society may also authorize, under terms and conditions it chooses, consistent with state law, the sale, possession, and consumption

of intoxicating malt liquors during the annual fair or at other times of their choosing, provided that at least one Minnesota brewed malt liquor is made available for sale at each allowed location within the grounds. The State Agricultural Society may issue a license for the sale and consumption of wine to a holder of a state fair concession's contract with the State Agricultural Society which authorizes the licensee to sell Minnesota-produced wine by the glass at the state fair in connection with the sale of food by the concessionaire. For the purposes of this subdivision, "Minnesota-produced wine" means wine produced by a farm winery licensed under section 340A.315 and made from at least 75 percent Minnesota-grown grapes, grape juice, other fruit bases, other juices, and honey.

Sec. 2. Minnesota Statutes 2008, section 340A.404, subdivision 5, is amended to read:

Subd. 5. **Wine licenses.** (a) A municipality may issue an on-sale wine license with the approval of the commissioner to a restaurant having facilities for seating at least 25 guests at one time. A wine license permits the sale of wine of up to 14 percent alcohol by volume for consumption with the sale of food. A wine license authorizes the sale of wine on all days of the week unless the issuing authority restricts the license's authorization to the sale of wine on all days except Sundays.

(b) The governing body of a municipality may by ordinance authorize a holder of an on-sale wine license issued pursuant to paragraph (a) who is also licensed to sell 3.2 percent malt liquors at on-sale pursuant to section 340A.411, and whose gross receipts are at least 60 percent attributable to the sale of food, to sell intoxicating malt liquors at on-sale without an additional license.

(c) A municipality may issue an on-sale wine license with the approval of the commissioner to a licensed bed and breakfast facility. A license under this paragraph authorizes a bed and breakfast facility to furnish wine only to registered guests of the facility and, if the facility contains a licensed commercial kitchen, also to guests attending private events at the facility.

(d) The State Agricultural Society may issue an on-sale wine license to the holder of a state fair concession contract pursuant to section 37.21, subdivision 2.

Sec. 3. Minnesota Statutes 2008, section 461.12, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A town board or the governing body of a home rule charter or statutory city may license and regulate the retail sale of tobacco as defined in section 609.685, subdivision 1, and establish a license fee for sales to recover the estimated cost of enforcing this chapter. The county board shall license and regulate the sale of tobacco in unorganized territory of the county except on the State Fairgrounds and

in a town or a home rule charter or statutory city if the town or city does not license and regulate retail tobacco sales. The State Agricultural Society shall license and regulate the sale of tobacco on the State Fairgrounds. Retail establishments licensed by a town or city to sell tobacco are not required to obtain a second license for the same location under the licensing ordinance of the county.