

A bill for an act

relating to liquor; providing for microdistillery and brewer taproom licenses; authorizing the issuance of certain temporary and on-sale municipal licenses; making technical, clarifying, and other changes to certain license provisions; authorizing issuance of on-sale and off-sales licenses by White Bear Township; authorizing issuance of off-sale licenses by the City of Rochester; providing for legislative review of community baseball alcohol issues; amending Minnesota Statutes 2010, sections 340A.101, by adding subdivisions; 340A.301, subdivision 4, by adding subdivisions; 340A.4011, subdivision 2; 340A.404, subdivision 7, by adding subdivisions; 340A.412, subdivision 4.

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

Section 1. Minnesota Statutes 2010, section 340A.101, is amended by adding a subdivision to read:

Subd. 16a. **Microdistillery.** "Microdistillery" is a distillery operated within the state producing premium, distilled spirits in total quantity not to exceed 40,000 proof gallons in a calendar year.

Sec. 2. Minnesota Statutes 2010, section 340A.101, is amended by adding a subdivision to read:

Subd. 24a. **Proof gallon.** A "proof gallon" is one liquid gallon of distilled spirits that is 50 percent alcohol at 60 degrees Fahrenheit.

Sec. 3. Minnesota Statutes 2010, section 340A.301, subdivision 4, is amended to read:

Subd. 4. **Bond.** The commissioner may not issue a license under this section to a person who has not filed a bond with corporate surety, or cash, or United States government bonds payable to the state. The proof of financial responsibility must be approved by the commissioner before the license is issued. The bond must be conditioned on the licensee

obeying all laws governing the business and paying when due all taxes, fees, penalties and other charges, and must provide that it is forfeited to the state on a violation of law. This subdivision does not apply to a Minnesota farm winery, licensed under section 340A.315, that is in existence as of January 1, 2010. Bonds must be in the following amounts:

Manufacturers and wholesalers of intoxicating liquor except as provided in this subdivision	\$ 10,000
Manufacturers and wholesalers of wine up to 25 percent alcohol by weight	\$ 5,000
Manufacturers and wholesalers of beer of more than 3.2 percent alcohol by weight	\$ 1,000
<u>Manufacturers and wholesalers of fewer than 20,000 proof gallons</u>	<u>\$ 2,000</u>
<u>Manufacturers and wholesalers of 20,000 to 40,000 proof gallons</u>	<u>\$ 3,000</u>

Sec. 4. Minnesota Statutes 2010, section 340A.301, is amended by adding a subdivision to read:

Subd. 6b. **Brewer taproom license.** (a) A municipality may issue the holder of a brewer's license under subdivision 6, clause (c), (i), or (j), a brewer taproom license. A brewer taproom license authorizes on-sale of malt liquor produced by the brewer for consumption on the premises of or adjacent to one brewery location owned by the brewer. Nothing in this subdivision precludes the holder of a brewer taproom license from also holding a license to operate a restaurant at the brewery. Section 340A.409 shall apply to a license issued under this subdivision. All provisions of this chapter that apply to a retail liquor license shall apply to a license issued under this subdivision unless the provision is explicitly inconsistent with this subdivision.

(b) A brewer may only have one taproom license under this subdivision, and may not have an ownership interest in a brewery licensed under subdivision 6, clause (d).

(c) A municipality may not issue a brewer taproom license to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than 250,000 barrels of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.

(d) The municipality shall impose a licensing fee on a brewer holding a brewer taproom license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 2, paragraph (a).

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

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

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

Sec. 5. Minnesota Statutes 2010, section 340A.301, is amended by adding a subdivision to read:

Subd. 6c. Microdistillery fee. The commissioner shall establish a fee for licensing microdistilleries that adequately covers the cost of issuing the license and other inspection requirements. The fees shall be deposited in an account in the special revenue fund and are appropriated to the commissioner for the purposes of this subdivision.

Sec. 6. Minnesota Statutes 2010, section 340A.4011, subdivision 2, is amended to read:

Subd. 2. License not required. (a) Notwithstanding section 340A.401, no license under this chapter is required for a bed and breakfast facility to provide at no additional charge to a person renting a room at the facility not more than two glasses per day each containing not more than four fluid ounces of wine, or not more than one glass per day containing not more than 12 ounces of Minnesota-produced beer. Wine or beer so furnished may be consumed only on the premises of the bed and breakfast facility.

(b) A bed and breakfast facility may furnish wine or beer under paragraph (a) only if the facility is registered with the commissioner. Application for such registration must be on a form the commissioner provides. The commissioner may revoke registration under this paragraph for any violation of this chapter or a rule adopted under this chapter.

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

Sec. 7. Minnesota Statutes 2010, section 340A.404, is amended by adding a subdivision to read:

Subd. 1b. Cities; auto racing facilities. A city may issue an on-sale intoxicating liquor license to an auto racing facility located in the city. The license may authorize sales both to persons attending any and all events at the facility, and sales in a restaurant, bar, or banquet facility located on the premises of the auto racing facility. The license authorizes sales on all days of the week. The license may be issued for a space that is not compact and contiguous, provided that the licensed premises may include only the space within a defined area as described in the application for the license.

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

4.1 Sec. 8. Minnesota Statutes 2010, section 340A.404, is amended by adding a
4.2 subdivision to read:

4.3 Subd. 5a. **Wine festival.** A municipality with the approval of the commissioner may
4.4 issue a temporary license to a bona fide association of owners and operators of wineries
4.5 sponsoring an annual festival to showcase wines produced by members of the association.
4.6 The license issued under this subdivision authorizes the sale of table, sparkling, or fortified
4.7 wines produced by the wineries at on-sale by the glass, provided that no more than
4.8 two glasses per customer may be sold, and the dispensing of free samples of the wines
4.9 offered for sale within designated premises of the festival. A license issued under this
4.10 subdivision is subject to all laws and ordinances governing the sale, possession, and
4.11 consumption of table, sparkling, or fortified wines. For purposes of this subdivision, a
4.12 "bona fide association of owners and operators of wineries" means an association of
4.13 more than ten wineries that has been in existence for more than two years at the time
4.14 of application for the temporary license.

4.15 Sec. 9. Minnesota Statutes 2010, section 340A.404, subdivision 7, is amended to read:

4.16 Subd. 7. **Airports commission.** On-sale licenses may be issued by the Metropolitan
4.17 Airports Commission for the sale of intoxicating liquor in major airports owned by
4.18 the Metropolitan Airports Commission and used as terminals for regularly scheduled
4.19 air passenger service. Notwithstanding any other law, the license authorized by this
4.20 subdivision may be issued for space that is not compact and contiguous.

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

4.22 Sec. 10. Minnesota Statutes 2010, section 340A.404, is amended by adding a
4.23 subdivision to read:

4.24 Subd. 10a. **Temporary on-sale licenses; farm winery.** The governing body of a
4.25 municipality may issue to a farm winery licensed under section 340A.315 a temporary
4.26 license for the on-sale at a county fair located within the municipality of intoxicating
4.27 liquor produced by the farm winery. The licenses are subject to the terms, including a
4.28 license fee, imposed by the issuing municipality and all laws and ordinances governing
4.29 the sale of intoxicating liquor not inconsistent with this section. Licenses under this
4.30 subdivision are not valid unless first approved by the commissioner of public safety.

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

Sec. 11. Minnesota Statutes 2010, section 340A.404, is amended by adding a subdivision to read:

Subd. 14. **Private college.** Notwithstanding any other law, local ordinance, or charter provision, the governing body of a municipality may issue an on-sale intoxicating liquor license to a private, nonprofit college located within the municipality, or to any entity holding a caterer's permit and a contract with the private, nonprofit college for catering on the premises of the private, nonprofit college, or for any portion of the premises as described in the approved license application. The license authorized by this subdivision may be issued for space that is not compact and contiguous, provided that all such space is included in the description of the licensed premises on the approved license application. The license authorizes sales on all days of the week to persons attending events at the private, nonprofit college. All other provisions of this chapter not inconsistent with this section apply to the license authorized under this section.

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

Sec. 12. Minnesota Statutes 2010, section 340A.412, subdivision 4, is amended to read:

Subd. 4. **Licenses prohibited in certain areas.** (a) No license to sell intoxicating liquor may be issued within the following areas:

(1) where restricted against commercial use through zoning ordinances and other proceedings or legal processes regularly had for that purpose, except licenses may be issued to restaurants in areas which were restricted against commercial uses after the establishment of the restaurant;

(2) within the Capitol or on the Capitol grounds, except as provided under Laws 1983, chapter 259, section 9, or Laws 1999, chapter 202, section 13;

(3) on the State Fairgrounds, except as provided under section 37.21, subdivision 2;

(4) on the campus of the College of Agriculture of the University of Minnesota;

(5) within 1,000 feet of a state hospital, training school, reformatory, prison, or other institution under the supervision or control, in whole or in part, of the commissioner of human services or the commissioner of corrections;

(6) in a town or municipality in which a majority of votes at the last election at which the question of license was voted upon were not in favor of license under section 340A.416, or within one-half mile of any such town or municipality, except that intoxicating liquor manufactured within this radius may be sold to be consumed outside it; and

~~(7) within 1,500 feet of a state university, except that:~~

~~(i) the minimum distance in the case of Winona and Southwest State University is 1,200 feet, measured by a direct line from the nearest corner of the administration building to the main entrance of the licensed establishment;~~

~~(ii) within 1,500 feet of St. Cloud State University one on-sale wine and two off-sale intoxicating liquor licenses may be issued, measured by a direct line from the nearest corner of the administration building to the main entrance of the licensed establishment;~~

~~(iii) at Mankato State University the distance is measured from the front door of the student union of the Highland campus;~~

~~(iv) a temporary license under section 340A.404, subdivision 10, may be issued to a location on the grounds of a state university for an event sponsored or approved by the state university; and~~

~~(v) this restriction does not apply to the area surrounding the premises of Metropolitan State University in Minneapolis; and~~

~~(8) (7) within 1,500 feet of any public school that is not within a city.~~

(b) The restrictions of this subdivision do not apply to a manufacturer or wholesaler of intoxicating liquor or to a drugstore or to a person who had a license originally issued lawfully prior to July 1, 1967.

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

Sec. 13. **WHITE BEAR TOWNSHIP; AUTHORITY TO ISSUE LICENSES.**

Notwithstanding any law or ordinance to the contrary, White Bear Township may issue on-sale and off-sale liquor licenses for establishments within its jurisdiction. Only establishments eligible for a license under authority granted to Ramsey County by Minnesota Statutes, chapter 340A, may be issued a license under this section. All provisions of Minnesota Statutes, chapter 340, not inconsistent with this section shall apply to the licenses authorized under this section.

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

Sec. 14. **CHANGE IN STATUS; GRANDFATHER PROVISION.**

Notwithstanding Minnesota Statutes, section 340A.413, subdivision 5, the city of Rochester may issue 26 off-sale liquor licenses.

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

Sec. 15. **COMMUNITY BASEBALL ALCOHOL ISSUES REVIEW.**

7.1 The legislative committees with jurisdiction over alcohol regulation shall consider
7.2 and examine issues surrounding the provision of alcohol to amateur, town league,
7.3 semiprofessional, and other forms of community baseball.

7.4 Sec. 16. **EFFECTIVE DATE; SUMMER COLLEGIATE BASEBALL**
7.5 **LICENSES.**

7.6 Laws 2011, chapter 16, is effective April 20, 2011.