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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1372

02/24/2025 Authored by Perryman, Norris, Kresha, Huot, Baker and others
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to liquor; authorizing cities to issue a social district license; proposing
1.3 coding for new law in Minnesota Statutes, chapter 340A.

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

1.5 Section 1. 340A.911 SOCIAL DISTRICT LICENSE.

1.6 Subdivision 1. Social district; consumption allowed. A city may issue a social district
1.7 license to any holder of an on-sale license whose on-sale premises is contiguous with the
1.8 premises of the social district designated in subdivision 2. The license authorizes
1.9 consumption, but not sales or service, of alcoholic beverages sold by the on-sale licensee
1.10 within the social district.

1.11 Subd. 2. Designation of social district. (a) Prior to issuing the license in subdivision 1,
1.12 a city must designate and describe the premises of the social district. The district may not
1.13 include any area under the ownership or control of a person that objects to the extension of
1.14 the social district to that area.

1.15 (b) The designation must include the specific premises where consumption of alcoholic
1.16 beverages is allowed and also include the proposed hours and days in which consumption
1.17 of alcoholic beverages is allowed in the social district. The city must adopt the designation
1.18 by ordinance prior to issuing the license in subdivision 1.

1.19 Subd. 3. Boundaries clearly defined. The social district must be clearly defined with
1.20 signs posted in a conspicuous location indicating the area included in the social district and
1.21 the days and hours during which alcoholic beverages may be consumed in the district. In
1.22 addition, signs must include:

2.1 (1) the local law enforcement agency with jurisdiction over the area comprising the
2.2 social district; and

2.3 (2) a clear statement that an alcoholic beverage purchased for consumption in the social
2.4 district shall:

2.5 (i) only be consumed in the social district; and

2.6 (ii) be disposed of before the person in possession of the alcoholic beverage exits the
2.7 social district unless the person is reentering the licensed premises where the alcoholic
2.8 beverage was purchased.

2.9 Subd. 4. **Management and maintenance.** A city must establish management and
2.10 maintenance plans for the social district and post these plans, along with a rendering of the
2.11 boundaries of the social district and days and hours during which alcoholic beverages may
2.12 be consumed in the district, on the website for the city. The social district must be maintained
2.13 in a manner that protects the health and safety of the general public.

2.14 Subd. 5. **Requirements for on-sale licensees.** An on-sale licensee holding a social
2.15 district license may only sell and serve alcoholic beverages on the premises specified in the
2.16 licensee's on-sale license. The licensee must not allow a person to enter or reenter its on-sale
2.17 licensed premises with an alcoholic beverage not sold by the on-sale licensee. Sales for
2.18 consumption in the social district must meet the following container requirements:

2.19 (1) the container clearly identifies the on-sale licensee from which the alcoholic beverage
2.20 was purchased;

2.21 (2) the container clearly displays a logo or some other mark that is unique to the social
2.22 district in which it will be consumed;

2.23 (3) the container is not comprised of glass;

2.24 (4) the container displays, in no less than 12-point font, the statement, "Drink Responsibly
2.25 - Be 21."; and

2.26 (5) the container shall not hold more than 16 fluid ounces.

2.27 Subd. 6. **Additional social district requirements.** The possession and consumption of
2.28 an alcoholic beverage in a social district is subject to all of the following requirements:

2.29 (1) only alcoholic beverages purchased from an on-sale licensee holding a social district
2.30 license located in or contiguous to the social district may be possessed and consumed in the
2.31 district;

3.1 (2) alcoholic beverages shall only be in containers meeting the requirements set forth
3.2 in subdivision 5;

3.3 (3) alcoholic beverages shall only be possessed and consumed during the days and hours
3.4 set by the city as specified in subdivision 2; and

3.5 (4) a person shall dispose of any alcoholic beverage in the person's possession prior to
3.6 exiting the social district unless the person is reentering the on-sale licensed premises where
3.7 the alcoholic beverage was purchased.

3.8 Subd. 7. **Report required.** Within 24 months from the first issuance of a social district
3.9 license, a city must provide a report to the chairs and ranking minority members of the
3.10 legislative committees with jurisdiction over liquor regulation. The report must include a
3.11 discussion of the following subjects:

3.12 (1) the process used by the city in designating the social district;

3.13 (2) the community response to the social district, with a concentration on residents living
3.14 and businesses operating within a one-mile radius of the district;

3.15 (3) the response to the social district from both on-sale licensees holding a social district
3.16 license and not holding a social district license;

3.17 (4) the problems or challenges encountered in establishing and overseeing the social
3.18 district and social district licenses;

3.19 (5) any public safety concerns that arose due to the operation of the social district;

3.20 (6) the benefits and drawbacks to the city of continuing the social district; and

3.21 (7) recommendations for modifications to the social district special law established in
3.22 this section.