

HOUSE OF REPRESENTATIVES

Unofficial Engrossment

House Engrossment of a Senate File

NINETY-FOURTH SESSION

S. F. No. 2511

04/28/2025 Companion to House File No. 2027. (Authors:O'Driscoll and Perryman)

Read First Time and Sent for Comparison

04/29/2025 Substituted for H. F. No. 2027

Read for the Second Time

05/19/2025 Pursuant to Rule 4.20, returned to the Committee on Commerce Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to liquor; authorizing various municipalities to issue liquor licenses;
- 1.3 clarifying certain trade practices with respect to manufacturers and wholesalers;
- 1.4 clarifying service of intoxicating liquor in certain establishments; modifying certain
- 1.5 requirements of liquor licenses issued to the Board of Regents of the University
- 1.6 of Minnesota; amending Minnesota Statutes 2024, sections 340A.308; 340A.404,
- 1.7 subdivisions 2b, 4a, 6; 340A.412, subdivision 4; Laws 2017, First Special Session
- 1.8 chapter 4, article 5, section 12; proposing coding for new law in Minnesota Statutes,
- 1.9 chapter 340A.
- 1.10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.11 Section 1. Minnesota Statutes 2024, section 340A.308, is amended to read:
- 1.12 **340A.308 PROHIBITED TRANSACTIONS.**
- 1.13 (a) Except as otherwise provided in section 340A.301, no brewer or malt liquor wholesaler
- 1.14 may directly or indirectly, or through an affiliate or subsidiary company, or through an
- 1.15 officer, director, stockholder, or partner:
- 1.16 (1) give, or lend money, credit, or other thing of value to a retailer;
- 1.17 (2) give, lend, lease, or sell furnishing or equipment to a retailer;
- 1.18 (3) have an interest in a retail license; or
- 1.19 (4) be bound for the repayment of a loan to a retailer.
- 1.20 (b) No retailer may solicit any equipment, fixture, supplies, money, or other thing of
- 1.21 value from a brewer or malt liquor wholesaler if furnishing of these items by the brewer or
- 1.22 wholesaler is prohibited by law and the retailer knew or had reason to know that the
- 1.23 furnishing is prohibited by law.

(c) This section does not prohibit a manufacturer or wholesaler from:

(1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to \$400 excluding installation and repair costs;

(2) furnishing, lending, or renting to a retailer inside signs and other promotional material, of a cost of up to \$300 in a year;

(3) furnishing to or maintaining for a retailer equipment for dispensing malt liquor, including tap trailers, cold plates and other dispensing equipment, of a cost of up to \$100 per tap in a year;

(4) using or renting property owned continually since November 1, 1933, for the purpose of selling intoxicating or 3.2 percent malt liquor at retail;

(5) extending customary commercial credit to a retailer in connection with a sale of nonalcoholic beverages only, or engaging in cooperative advertising agreements with a retailer in connection with the sale of nonalcoholic beverages only; or

(6) in the case of a wholesaler, with the prior written consent of the commissioner, selling beer on consignment to a holder of a temporary license under section 340A.403, subdivision 2, or 340A.404, subdivision 10.

(d) A manufacturer or wholesaler who is engaged in the business of selling nonalcoholic products may engage in the lawful trade practices of the nonalcoholic product industry, provided the sales and practices surrounding the nonalcoholic products are not used as an unlawful inducement to purchase alcoholic beverages. This paragraph does not apply to products regulated by chapter 342.

Sec. 2. [340A.4015] NURSING HOMES, BOARDING CARE HOMES, AND ASSISTED LIVING FACILITIES; WHEN LICENSE NOT REQUIRED.

(a) For purposes of this section, "facility" means a nursing home as defined in section 144A.01, subdivision 5, a boarding care home as defined in Minnesota Rules, chapter 4655, or an assisted living facility as defined in section 144G.08, subdivision 7.

(b) A facility is not required to obtain a license or permit under this chapter for the service of intoxicating liquor on its premise, subject to the following conditions:

(1) the facility must submit notice to the commissioner of the facility's intent to allow the service of intoxicating liquor under this section;

(2) the facility must hold the license required by the commissioner of health to be a valid licensed facility;

(3) intoxicating liquor may only be served to or by the residents of the facility and their guests, when the guests are physically accompanied by a resident for the entirety of the service;

(4) the service of intoxicating liquor may only occur at activities or events conducted primarily for residents of the facility and their invited guests, and only within the licensed facility or on the facility's property;

(5) intoxicating liquor may not be sold, offered for sale, or otherwise provided for any form of consideration; and

(6) facilities are subject to all other provisions and requirements of this chapter and applicable rules, not inconsistent with this section.

(c) A facility allowing the service of intoxicating liquor under this section must be open for inspection by the commissioner and the commissioner's representative and by peace officers, who may enter and inspect during reasonable hours.

(d) Facilities operating under this section are subject to the requirements and penalties in section 340A.415 in the same manner as if they were a license or permit holder.

(e) The commissioner may take enforcement action as provided in section 340A.415 against any facility operating under this section for any violation of this section and any other provision of this chapter and Minnesota Rules, chapter 7515, not inconsistent with this section, including service to an obviously intoxicated person, unlawful furnishing, underage access or consumption, unlawful possession, unlawful storage, or other alcohol-related violations.

(f) The commissioner may prohibit service and require corrective action plans or mandatory training for staff prior to a facility resuming operation under this section.

(g) The commissioner may refer any pattern of unsafe service, health risk associated with alcohol service or storage, or failure to comply with this section to the commissioner of health for investigation.

(h) Nothing in this section limits or otherwise affects criminal enforcement under this chapter or any other law against a facility or any person.

Sec. 3. Minnesota Statutes 2024, section 340A.404, subdivision 2b, is amended to read:

Subd. 2b. **Special provision; city of St. Paul.** (a) The city of St. Paul may issue an on-sale intoxicating liquor license to the Fitzgerald Theatre, the Great American History Theater at 30 East 10th Street, and the Brave New Workshop at the Palace Theater at 17

West Seventh Place, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The license authorizes sales on all days of the week to holders of tickets for performances presented by the theatre and to members of the nonprofit corporation holding the license and to their guests.

(b) Notwithstanding any other law, local ordinance, or charter provision, the city of St. Paul may issue an on-sale intoxicating liquor license to the Science Museum of Minnesota, or its concessionaire or operator, for use on the premises of the Science Museum of Minnesota at 120 West Kellogg Boulevard. The license authorizes sales on all days of the week.

(c) Notwithstanding any other law, local ordinance, or charter provision, the city of St. Paul may issue an on-sale intoxicating liquor license to the Union Depot, or its concessionaire or operator, for use on the premises of the Union Depot at 214 Fourth Street East. The license authorizes sales on all days of the week.

EFFECTIVE DATE. This section is effective upon approval by the St. Paul City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 4. Minnesota Statutes 2024, section 340A.404, subdivision 4a, is amended to read:

Subd. 4a. **Publicly owned recreation; entertainment facilities.** (a) Notwithstanding any other law, local ordinance, or charter provision, the commissioner may issue on-sale intoxicating liquor licenses:

(1) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Giants Ridge Recreation Area building or recreational improvement area owned by the state in the city of Biwabik, St. Louis County;

(2) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Ironworld Discovery Center building or facility owned by the state at Chisholm;

(3) to the Board of Regents of the University of Minnesota or to an entity holding a concessions contract with the Board of Regents of the University of Minnesota for events at Northrop Auditorium, the intercollegiate football stadium, including any games played by the Minnesota Vikings at the stadium, and ~~at no more than seven~~ for other locations within the boundaries of the University of Minnesota that are described in the approved license applications, provided that the Board of Regents has approved an application for a license for the specified location and provided that a license for an intercollegiate football

stadium is void unless it meets the conditions of paragraph (b). Licenses may be issued for space that is not compact and contiguous, provided that all space is included in the description of the licensed premises on the approved license applications. It is solely within the discretion of the Board of Regents to choose the manner in which to carry out these conditions consistent with the requirements of paragraph (b); and

(4) to the Duluth Entertainment and Convention Center Authority for beverage sales on the premises of the Duluth Entertainment and Convention Center Arena during intercollegiate hockey games.

The commissioner shall charge a fee for licenses issued under this subdivision in an amount comparable to the fee for comparable licenses issued in surrounding cities.

(b) No alcoholic beverage may be sold or served at ~~TCF~~ Huntington Bank Stadium unless the Board of Regents holds an on-sale intoxicating liquor license for the stadium as provided in paragraph (a), clause (3), that provides for the sale of intoxicating liquor at a location in the stadium that is convenient to the general public attending an intercollegiate football game at the stadium. On-sale liquor sales to the general public must be available at that location through half-time of an intercollegiate football game at ~~TCF~~ Huntington Bank Stadium, and sales at the stadium must comply with section 340A.909.

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

Sec. 5. Minnesota Statutes 2024, section 340A.404, subdivision 6, is amended to read:

Subd. 6. **Counties.** (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, club, hotel, or resort as defined in section 157.15, subdivision 11, with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue ~~up to ten~~ seasonal on-sale licenses to restaurants ~~and~~, clubs, and resorts as defined in section 157.15, subdivision 11, for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated. Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

(c) A county board may issue an annual or seasonal on-sale malt liquor license to a resort as defined in section 157.15, subdivision 11, within the area of the county that is unorganized or unincorporated, notwithstanding any law or local ordinance. A license issued under this

paragraph authorizes sales on all days of the week to persons staying at the resort and their guests.

Sec. 6. Minnesota Statutes 2024, 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)~~ (4) 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 Direct Care and Treatment executive board or the commissioner of corrections;

~~(6)~~ (5) 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)~~ (6) 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. 7. Laws 2017, First Special Session chapter 4, article 5, section 12, is amended to read:

Sec. 12. **FOOD HALL LICENSE; MINNEAPOLIS.**

Notwithstanding Minnesota Statutes, section 340A.101, subdivision 25, 340A.401, or 340A.410, subdivision 7, or any other law or ordinance to the contrary, the city of

Minneapolis may issue an on-sale intoxicating liquor license for a licensee serving as an anchor tenant for a food hall ~~to be located at 501 30th Avenue Southeast~~. The license may allow service and consumption anywhere within the licensee establishment, and anywhere within the larger food hall, provided that the larger premises is specified in the on-sale license. Multiple independent food vendors will be able to utilize a common seating area under the control of the liquor license holder to allow the public to purchase and consume food from third parties while also consuming licensed beverages sold by the license holder. Licenses may only be issued for food halls at the following locations:

(1) 501 30th Avenue Southeast; and

(2) 800 LaSalle Avenue.

EFFECTIVE DATE. This section is effective upon approval by the city of Minneapolis and compliance with Minnesota Statutes, section 645.021.

Sec. 8. **MINNESOTA STATE UNIVERSITY, MANKATO; SPECIAL LICENSE.**

Notwithstanding any other law, local ordinance, or charter provision to the contrary, the city of Mankato may issue an on-sale wine and malt liquor intoxicating liquor license to Minnesota State University, Mankato. A license authorized by this section may be issued for space that is not compact and contiguous, provided that all the space is within the boundaries of the campus of Minnesota State University, Mankato, and is included in the description of the licensed premises on the approved license application. The license under this section authorizes sales on all days of the week to persons attending events at the Taylor Center, subject to the hours and days of sale restrictions in Minnesota Statutes, and any reasonable license conditions or restrictions imposed by the licensing authority. All other provisions of Minnesota Statutes not inconsistent with this section apply to the license authorized under this section.

EFFECTIVE DATE. This section is effective upon approval by the Mankato City Council in the manner provided by Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 9. **CITY OF ROCHESTER; SPECIAL LICENSE.**

Notwithstanding any other law, ordinance, or charter provision to the contrary, the city of Rochester may issue an on-sale intoxicating liquor license to the Historic Chateau Theater, located in the city at 15 1st Street Southwest. The license authorizes sales on all days of the week to persons attending performances, exhibitions, or any other events at the theater. The

provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to a license issued under this section.

EFFECTIVE DATE. This section is effective upon approval by the Rochester City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 10. **CITY OF BLOOMINGTON; SPECIAL LICENSE.**

Notwithstanding any other law or ordinance to the contrary, the city of Bloomington may issue an on-sale intoxicating liquor license for the Bloomington Dwan Golf Course, located at 3301 West 110th Street. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section. The city of Bloomington is deemed the licensee under this section, and the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the establishment were a municipal liquor store.

EFFECTIVE DATE. This section is effective upon approval by the Bloomington City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 11. **LAKE OF THE WOODS COUNTY; TEMPORARY LICENSES.**

Lake of the Woods County may issue temporary licenses pursuant to law for premises of the Baudette Arena Association, without regard to the restriction set forth in Minnesota Statutes, section 340A.412, subdivision 4, paragraph (a), clause (7).

EFFECTIVE DATE. This section is effective upon approval by the Lake of the Woods County Board of Commissioners and compliance with Minnesota Statutes, section 645.021.

Sec. 12. **CITY OF ST. LOUIS PARK; SPECIAL LICENSE.**

Notwithstanding Minnesota Statutes, section 340A.101, subdivision 25; 340A.401; or 340A.410, subdivision 7, or any other law or ordinance to the contrary, the city of St. Louis Park may issue an on-sale intoxicating liquor license to a licensee serving as an anchor tenant for a food hall located in any portion of the mall commonly known as The Shops at West End. The license may allow service and consumption anywhere within the licensee establishment, and anywhere within the larger food hall, provided that the larger premises is specified in the on-sale license. Multiple independent food vendors will be able to utilize a common seating area under the control of the liquor license holder to allow the public to purchase and consume food from third parties while also consuming licensed beverages sold by the license holder.

EFFECTIVE DATE. This section is effective upon approval by the St. Louis Park City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 13. **CITY OF SPRINGFIELD; SPECIAL LICENSE.**

The city of Springfield may issue an on-sale intoxicating liquor license, an on-sale wine and strong beer license, or an on-sale including Sunday intoxicating liquor license for the city-owned facility known as the Springfield Area Community Center, notwithstanding any law, local ordinance, or charter provision. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section. The city of Springfield is deemed the licensee under this section, and the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the facility was a municipal liquor store.

EFFECTIVE DATE. This section is effective upon approval by the Springfield City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 14. **DOUGLAS COUNTY; SPECIAL LICENSE.**

(a) Douglas County may issue a temporary license to a food truck for the on-sale of intoxicating liquor at a private event that the food truck has entered into a contract with a person to offer food and beverage services. For purposes of this section, "food truck" means a business that is licensed or permitted by the licensing authority to prepare and sell food from a motorized vehicle or trailer within the municipality.

(b) A license under this section must specify the conditions under which the intoxicating liquor must be dispensed and consumed and shall not be issued unless the licensee demonstrates that it has liability insurance as prescribed by Minnesota Statutes, section 340A.409, to cover the event. The license under this section authorizes sales on all days of the week only to the person who has entered into a contract to offer food and beverage services with the food truck, and the person's guests.

(c) A license under this section is subject to the terms, including a license fee, imposed by the issuing municipality and all laws and ordinances governing the sale of intoxicating liquor. A license under this section authorizes the on-sale of intoxicating liquor for not more than four consecutive days and not more than 12 days per year. No sale under this license may be made outside the hours established by the municipality for on-premises consumption. Licenses under this section are not valid unless first approved by the commissioner of public safety.

10.1 (d) The licensee shall notify prior to any private event:

10.2 (1) the police chief of the city where the event will take place, if the event will take place
10.3 within the corporate limits of a city; or

10.4 (2) the Douglas County sheriff, if the event will be outside the corporate limits of any
10.5 city.

10.6 (e) This section expires one year from the date it becomes effective.

10.7 **EFFECTIVE DATE.** This section is effective upon approval by the Douglas County
10.8 Board of Commissioners and compliance with Minnesota Statutes, section 645.021.

10.9 Sec. 15. **CITY OF ERHARD; SPECIAL LICENSE.**

10.10 Notwithstanding any other law, ordinance, or charter provision to the contrary, the city
10.11 of Erhard may issue an on-sale intoxicating liquor license to the Erhard Community Park,
10.12 located in the city at Pelican River Avenue. The provisions of Minnesota Statutes, chapter
10.13 340A, not inconsistent with this section, apply to a license issued under this section. The
10.14 city of Erhard is deemed the licensee under this section, and the provisions of Minnesota
10.15 Statutes, sections 340A.603 and 340A.604, apply to the license as if the facility was a
10.16 municipal liquor store.

10.17 **EFFECTIVE DATE.** This section is effective upon approval by the Erhard City Council
10.18 and compliance with Minnesota Statutes, section 645.021.

10.19 Sec. 16. **SOUTHWEST MINNESOTA STATE UNIVERSITY; SPECIAL LICENSE.**

10.20 Notwithstanding any other law, local ordinance, or charter provision to the contrary, the
10.21 city of Marshall may issue an on-sale wine and malt liquor intoxicating liquor license to
10.22 Southwest Minnesota State University. A license authorized by this section may be issued
10.23 for space that is not compact and contiguous, provided that all the space is within the
10.24 boundaries of the campus of Southwest Minnesota State University and is included in the
10.25 description of the licensed premises on the approved license application. The license under
10.26 this section authorizes sales on all days of the week to persons attending events at the Schwan
10.27 Regional Event Center and the Recreation/Athletic Facility, subject to the hours and days
10.28 of sale restrictions in Minnesota Statutes, chapter 340A, and any reasonable license conditions
10.29 or restrictions imposed by the licensing authority. All other provisions of Minnesota Statutes,
10.30 chapter 340A, not inconsistent with this section apply to the license authorized under this
10.31 section.

11.1 **EFFECTIVE DATE.** This section is effective upon approval by the Marshall City
11.2 Council and compliance with Minnesota Statutes, section 645.021.

11.3 Sec. 17. **CITY OF BRAINERD; SPECIAL LICENSE.**

11.4 Notwithstanding any other law, ordinance, or charter provision to the contrary, the city
11.5 of Brainerd may issue an intoxicating liquor license to the Northern Pacific Center, located
11.6 at 1511 Northern Pacific Road. A license issued under this section allows sales on all days
11.7 of the week to persons attending events at the center, and may be issued for a space that is
11.8 not compact and contiguous, provided that the premises are described in the approved
11.9 license. All other provisions of Minnesota Statutes, chapter 340A not inconsistent with this
11.10 section apply to a license issued under this section.

11.11 **EFFECTIVE DATE.** This section is effective upon approval by the Brainerd City
11.12 Council and compliance with Minnesota Statutes, section 645.021.