

A bill for an act
relating to finance; establishing an alcohol health and judicial impact fund;
imposing an alcohol health and judicial impact fee; amending Minnesota Statutes
2008, sections 295.75, subdivisions 2, 11; 297G.04, subdivision 2; proposing
coding for new law in Minnesota Statutes, chapters 16A; 297G.

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

Section 1. **[16A.726] ALCOHOL HEALTH AND JUDICIAL IMPACT FUND
AND FUND REIMBURSEMENTS.**

Subdivision 1. **Alcohol health and judicial impact fund.** There is created in the
state treasury an alcohol health and judicial impact fund to which all revenue from the
alcohol health and judicial impact fee under sections 295.75, subdivision 2, paragraph (b),
and 297G.23 is credited.

Subd. 2. **Certified alcohol expenditures.** By April 30 of each fiscal year, the
commissioners of public safety, corrections, and human services shall certify to the
commissioner of finance the state budget costs attributable to alcohol and controlled
substance use, and the net of the collections of the taxes imposed under sections 295.75,
297G.03, and 297G.04, for the previous fiscal year. These costs include, but are not
limited to, costs to:

(1) enforce laws for driving while impaired;

(2) employ law enforcement officers to increase efforts for targeting crime for
driving while impaired;

(3) fund grants to local units of government to conduct compliance checks for
on-sale and off-sale intoxicating liquor holders;

(4) fund community policing grants;

(5) fund grants to prevent domestic violence and to provide services to victims of domestic violence;

(6) incarcerate offenders of driving while impaired laws and provide programs for these offenders;

(7) pay costs associated with incarcerating offenders and provide programs for these offenders;

(8) fund grants to counties to establish and operate intensive probation programs for repeat impaired driving offenders;

(9) increase chemical dependency treatment programs at state prisons;

(10) provide chemical dependency treatment;

(11) fund health and human services program costs;

(12) fund increased judicial training relating to a judge's powers and duties regarding chemical use assessments;

(13) fund grants to counties for court services and correctional costs related to conducting chemical use assessments; and

(14) fund education and crime prevention initiatives.

Subd. 3. **Fund reimbursements.** In each fiscal year, the commissioner of finance shall transfer from the alcohol health and judicial impact fund to the general fund an amount sufficient to offset the general fund cost of the certified expenditures under subdivision 2.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 2. Minnesota Statutes 2008, section 295.75, subdivision 2, is amended to read:

Subd. 2. **Gross receipts tax and fee imposed.** (a) A tax is imposed on each liquor retailer equal to 2.5 percent of gross receipts from retail sales in Minnesota of liquor.

(b) An alcohol health and judicial impact fee is imposed on each liquor retailer equal to 2.5 percent of the gross receipts from retail sales in Minnesota of liquor. The fee imposed under this paragraph must be treated as if it is a tax for purposes of all of the provisions of this section.

EFFECTIVE DATE. This section is effective for sales made after June 30, 2009.

Sec. 3. Minnesota Statutes 2008, section 295.75, subdivision 11, is amended to read:

Subd. 11. **Deposit of revenues.** (a) The commissioner shall deposit all revenues, including penalties and interest, derived from the tax imposed by this section in the general fund.

(b) The commissioner of revenue shall deposit the revenues from the fee under subdivision 2, paragraph (b), in the state treasury and credit them one-half to the alcohol health and judicial impact fund under section 16A.726 and one-half to the general fund.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 4. Minnesota Statutes 2008, section 297G.04, subdivision 2, is amended to read:

Subd. 2. **Tax credit.** A qualified brewer producing fermented malt beverages is entitled to a ~~tax~~ credit of ~~\$4.60~~ \$11.21 per barrel on 25,000 barrels sold in any fiscal year beginning July 1, regardless of the alcohol content of the product. Qualified brewers may take the credit on the 18th day of each month, but the total credit allowed may not exceed in any fiscal year the lesser of:

(1) the total liability for tax and the fee under section 297G.23; or

(2) \$115,000.

For purposes of this subdivision, a "qualified brewer" means a brewer, whether or not located in this state, manufacturing less than 100,000 barrels of fermented malt beverages in the calendar year immediately preceding the calendar year for which the credit under this subdivision is claimed. In determining the number of barrels, all brands or labels of a brewer must be combined. All facilities for the manufacture of fermented malt beverages owned or controlled by the same person, corporation, or other entity must be treated as a single brewer.

EFFECTIVE DATE. This section is effective for revenues received after June 30, 2009.

Sec. 5. **[297G.23] ALCOHOL HEALTH AND JUDICIAL IMPACT FEE.**

Subdivision 1. **Purpose.** An alcohol use health and judicial impact fee is imposed on and collected from any person subject to tax under this chapter to recover for the state, public safety, corrections, court, health, and human services costs related to or caused by alcohol use and to reduce alcohol use.

Subd. 2. **Fee imposed.** In addition to the tax imposed under sections 297G.03, subdivisions 1 and 2, and 297G.04, subdivision 1, an alcohol health and judicial impact fee is imposed upon all distilled spirits, beer, wine, and cider in this state at the following rates:

(1) on distilled spirits, liqueurs, cordials, and specialties regardless of alcohol content (excluding ethyl alcohol), \$12.86 per gallon and \$3.40 per liter;

(2) on wine containing 14 percent or less alcohol by volume (except cider as defined in section 297G.01, subdivision 3a), \$.53 per gallon and \$.14 per liter;

(3) on wine containing more than 14 percent but not more than 21 percent alcohol by volume, \$.53 per gallon and \$.14 per liter;

(4) on wine containing more than 21 percent but not more than 24 percent alcohol by volume, \$.53 per gallon and \$.14 per liter;

(5) on wine containing more than 24 percent alcohol by volume, \$.53 per gallon and \$.14 per liter;

(6) on natural and artificial sparkling wines containing alcohol, \$.53 per gallon and \$.14 per liter;

(7) on cider as defined in section 297G.01, subdivision 3a, \$.53 per gallon and \$.14 per liter;

(8) on miniatures, \$.10 per bottle;

(9) on fermented malt beverages containing not more than 3.2 percent alcohol by weight, \$6.61 per 31-gallon barrel; and

(10) on fermented malt beverages containing more than 3.2 percent alcohol by weight, \$6.61 per 31-gallon barrel.

Subd. 3. **Administrative and other provisions of this chapter.** The fee under this section must be treated as if it is a tax for purposes of this chapter.

Subd. 4. **Deposit of revenues.** The commissioner of revenue shall deposit the revenues from the fee under this section in the state treasury and credit them one-half to the alcohol health and judicial impact fund under section 16A.726 and one-half to the general fund.

EFFECTIVE DATE. This section is effective July 1, 2009.