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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2770

04/01/2019 Authored by Daudt
The bill was read for the first time and referred to the Committee on Commerce

1.1 A bill for an act
1.2 relating to local government; adjusting local government aid payments to cities
1.3 discontinuing operation of municipal liquor stores; permitting cities to continue
1.4 operation of municipal liquor stores with certain conditions; proposing coding for
1.5 new law in Minnesota Statutes, chapter 477A.

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

1.7 Section 1. 477A.0135] AID INCREASE FOR DISCONTINUING OPERATION OF
1.8 A MUNICIPAL LIQUOR STORE.

1.9 (a) If a city that owns and operates a municipal liquor store under chapter 340A
1.10 discontinues operation of the store as provided in paragraph (b), the city is eligible for an
1.11 increase in aid as provided in this section.

1.12 (b) On its own motion, or following an election under section 2, the governing body of
1.13 the city must adopt a resolution to discontinue operation of the municipal liquor store. A
1.14 city has up to three years following adoption of the resolution to cease operations and close
1.15 the store. Upon closure of the municipal liquor store, the city must report the information
1.16 required in paragraph (c) to the commissioner by January 15 of the year following the year
1.17 in which the store closed.

1.18 (c) The city must report the annual net gain or loss prior to interfund transfer of the
1.19 municipal liquor store's operation for each of the three years the city operated the store
1.20 before its closure. The commissioner shall increase the aid paid to the city under section
1.21 477A.014 from the amount certified to the city under section 477A.013 in the year following
1.22 the year in which the store closed.

2.1 (d) The increase is equal to the average net gain reported by the city in paragraph (c),
2.2 but the increase in aid under this section may not be less than \$50,000. In the event the
2.3 report of the operations of a municipal liquor store has shown a net loss, the increase is
2.4 \$50,000.

2.5 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020
2.6 and thereafter and applies to cities that established a municipal liquor store before January
2.7 1, 2019.

2.8 Sec. 2. **EXISTING MUNICIPAL LIQUOR STORES; CONTINUING OPERATION.**

2.9 A city that established a municipal liquor store before January 1, 2019, and is currently
2.10 operating a municipal liquor store under Minnesota Statutes, chapter 340A, may continue
2.11 to operate the municipal liquor store if: (1) the city submits the question "Shall the city
2.12 continue to operate its municipal liquor store?" to the voters of the city at the 2020 general
2.13 election; and (2) a majority of the voters voting on the question at the election vote in the
2.14 affirmative on the question. At least three months before the election, the city must provide
2.15 written notice and state the question to be submitted to voters. Written notice may be provided
2.16 by mail or publication on the city's website or in the city's official newspaper and must
2.17 notify voters of Minnesota Statutes, section 477A.0135.

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

2.19 Sec. 3. **MORATORIUM.**

2.20 Notwithstanding any law to the contrary, a city may not establish a municipal liquor
2.21 store under Minnesota Statutes, section 340A.601, after the effective date of this section.

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