

A bill for an act
relating to liquor; authorizing microdistilleries; amending Minnesota Statutes
2010, sections 340A.101, by adding a subdivision; 340A.301, subdivisions 4, 6.
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 aged for a period of not less than four years in total
quantity not to exceed 40,000 gallons in a calendar year.

Sec. 2. 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

2.1	<u>Manufacturers and wholesalers of fewer than</u>		
2.2	<u>20,000 gallons of 95 percent alcohol per year</u>	\$	<u>2,000</u>
2.3	<u>Manufacturers and wholesalers of fewer than</u>		
2.4	<u>40,000 gallons of 95 percent alcohol per year</u>	\$	<u>3,000</u>

2.5 Sec. 3. Minnesota Statutes 2010, section 340A.301, subdivision 6, is amended to read:

2.6 Subd. 6. **Fees.** The annual fees for licenses under this section are as follows:

2.7	(a) Manufacturers (except as provided in clauses (b)		
2.8	and (c))	\$	30,000
2.9	Duplicates	\$	3,000
2.10	(b) Manufacturers of wines of not more than 25 percent		
2.11	alcohol by volume	\$	500
2.12	(c) Brewers who manufacture more than 3,500 barrels		
2.13	of malt liquor in a year	\$	4,000
2.14	(d) Brewers who also hold one or more retail on-sale		
2.15	licenses and who manufacture fewer than 3,500		
2.16	barrels of malt liquor in a year, at any one licensed		
2.17	premises, the entire production of which is solely for		
2.18	consumption on tap on any licensed premises owned		
2.19	by the brewer, or for off-sale from those licensed		
2.20	premises as permitted in subdivision 7. A brewer		
2.21	licensed under this clause must obtain a separate		
2.22	license for each licensed premises where the brewer		
2.23	brews malt liquor. A brewer licensed under this		
2.24	clause may not be licensed as an importer under this		
2.25	chapter	\$	500
2.26	(e) Wholesalers (except as provided in clauses (f), (g),		
2.27	and (h))	\$	15,000
2.28	Duplicates	\$	3,000
2.29	(f) Wholesalers of wines of not more than 25 percent		
2.30	alcohol by volume	\$	3,750
2.31	(g) Wholesalers of intoxicating malt liquor	\$	1,000
2.32	Duplicates	\$	25
2.33	(h) Wholesalers of 3.2 percent malt liquor	\$	10
2.34	(i) Brewers who manufacture fewer than 2,000 barrels		
2.35	of malt liquor in a year	\$	150
2.36	(j) Brewers who manufacture 2,000 to 3,500 barrels of		
2.37	malt liquor in a year	\$	500
2.38	<u>(k) Microdistilleries who manufacture fewer than</u>		
2.39	<u>20,000 gallons of 95 percent alcohol per year</u>	\$	<u>1,000</u>
2.40	<u>(l) Microdistilleries who manufacture fewer than</u>		
2.41	<u>40,000 gallons of 95 percent alcohol per year</u>	\$	<u>2,000</u>

2.42 If a business licensed under this section is destroyed, or damaged to the extent that
2.43 it cannot be carried on, or if it ceases because of the death or illness of the licensee, the
2.44 commissioner may refund the license fee for the balance of the license period to the
2.45 licensee or to the licensee's estate.