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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3722

02/24/2022

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The bill was read for the first time and referred to the Committee on Public Safety and Criminal Justice Reform Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to liquor; establishing a liquor regulation advisory council; 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.915] LIQUOR REGULATION ADVISORY COUNCIL.**
- 1.6 Subdivision 1. Creation; composition. (a) There is created a permanent Liquor
- 1.7 Regulation Advisory Council. The commissioner must serve as chair of the council and
- 1.8 must be a nonvoting member. This council does not expire unless the council no longer
- 1.9 fulfills the purpose for which the council was established, the council has not met in the
- 1.10 last 18 months, or the council does not comply with the registration requirements of section
- 1.11 15.0599, subdivision 3. The council shall consist of nine voting members, to be appointed
- 1.12 by the governor as follows:
- 1.13 (1) three members must represent retailers, as follows:
- 1.14 (i) one member must represent or be employed by a municipal liquor store established
- 1.15 under section 340A.601;
- 1.16 (ii) one member must represent or be employed by an exclusive liquor store; and
- 1.17 (iii) one member must represent or be employed by a restaurant that has been issued an
- 1.18 on-sale intoxicating liquor license under section 340A.404, subdivision 1, paragraph (a),
- 1.19 clause (2), or subdivision 6;
- 1.20 (2) three members must represent wholesalers, as follows:

2.1 (i) one member must be a member of an organized labor organization representing the
2.2 employees of a wholesaler;

2.3 (ii) one member must represent or be employed by a wholesaler of distilled spirits; and

2.4 (iii) one member must represent or be employed by a malt liquor wholesaler other than
2.5 a wholesaler described in section 340A.301, subdivision 9, paragraph (g); and

2.6 (3) three members must represent manufacturers, as follows:

2.7 (i) one member must be the holder of a brewer's license under section 340A.404,
2.8 subdivision 6, paragraph (c), (i), or (j), that brews no more than 20,000 barrels of its own
2.9 brands of malt liquor annually;

2.10 (ii) one member must be the holder of a microdistillery license under section 340A.22;
2.11 and

2.12 (iii) one member must represent or be employed by a licensed manufacturer other than
2.13 a manufacturer described in item (i) or (ii).

2.14 (b) Each council member shall appoint an alternate. Alternates shall serve in the absence
2.15 of the member they replace.

2.16 (c) The appointed voting members shall serve for terms of five years and may be
2.17 reappointed.

2.18 (d) The speaker of the house and minority leader of the house of representatives shall
2.19 each appoint a caucus member as a liaison to the council. The majority and minority leaders
2.20 of the senate shall each appoint a caucus member to serve as a liaison to the council.

2.21 (e) The compensation and removal of members shall be as provided in section 15.059.

2.22 Subd. 2. **Duties; recommendations.** The Liquor Regulation Advisory Council must
2.23 advise the director of alcohol and gambling enforcement and the commissioner in carrying
2.24 out the purposes of the regulatory system for alcoholic beverages established by this chapter.
2.25 The council must submit its recommendations with respect to amendments to this chapter
2.26 having a statewide impact by February 1 of each year to the committees of the legislature
2.27 with jurisdiction over liquor regulation and shall report its views upon any pending bill
2.28 relating to this chapter to the proper legislative committee. A recommendation may not be
2.29 made by the council unless it is supported by a majority of the council members, provided
2.30 that at least one member from each group described in subdivision 1, paragraph (a), clauses
2.31 (1) to (3), supports the recommendation. At the request of the chairs of the senate and house
2.32 of representatives committees that hear liquor regulation matters, the Alcohol and Gambling

Enforcement Division of the Department of Public Safety must schedule a meeting of the council with the members of the committees to discuss matters of legislative concern arising under this chapter.

Subd. 3. **Meetings; voting.** (a) The council must meet as frequently as necessary to carry out its duties and responsibilities. The council may also conduct public hearings throughout the state as may be necessary to give interested persons an opportunity to comment and make suggestions on the operation of the state's regulatory system for alcoholic beverages.

(b) The meetings of the council are subject to the state's Open Meeting Law, chapter 13D, except that each group described in subdivision 1, paragraph (a), clauses (1) to (3), may meet in separate closed caucuses for the purpose of deliberating on matters before the council. All votes of the council must be public and recorded.

Subd. 4. **Executive director.** (a) The director of the Alcohol and Gambling Enforcement Division of the Department of Public Safety must serve as executive director of the council.

(b) The executive director shall provide administrative support and information to the council in order to allow it to monitor all elements of Minnesota's regulatory system for alcoholic beverages. Specific duties of the executive director shall include:

(1) examining the activities of the various entities involved in Minnesota's regulatory system for alcoholic beverages and identifying problem areas for the council's consideration;

(2) identifying trends and developments in the regulatory system for alcoholic beverages of other states, and reporting to the council on issues that are developing and solutions that are being proposed or attempted;

(3) monitoring the decisions of both federal and Minnesota courts to determine the impact of court decisions on the state's regulatory system for alcoholic beverages;

(4) monitoring research activities related to regulatory systems for alcoholic beverages and bringing important research findings and recommendations to the attention of the council; and

(5) conducting other activities and duties as may be requested by the council.

Subd. 5. **Administrative support.** The commissioner must supply necessary office space, supplies, and staff support to assist the council and its executive director in their duties.

EFFECTIVE DATE. This section is effective after June 30, 2022.