

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2346

(SENATE AUTHORS: METZEN)

DATE	D-PG	OFFICIAL STATUS
03/06/2014	5988	Introduction and first reading Referred to Commerce
03/27/2014	6914a	Comm report: To pass as amended and re-refer to Taxes
05/05/2014		Comm report: To pass as amended Second reading

A bill for an act

1.1 relating to liquor; regulating the sale and distribution of alcoholic beverages;
 1.2 authorizing various licenses; amending Minnesota Statutes 2012, sections
 1.3 297G.07, subdivision 1; 340A.101, by adding subdivisions; 340A.301,
 1.4 subdivision 9; 340A.315, subdivision 2, by adding subdivisions; 340A.316;
 1.5 340A.404, subdivisions 2, 5; 340A.415; 340A.508, by adding a subdivision;
 1.6 340A.510, subdivision 2; Minnesota Statutes 2013 Supplement, section
 1.7 340A.301, subdivisions 6b, 6c, 6d, 7; proposing coding for new law in Minnesota
 1.8 Statutes, chapter 340A; repealing Laws 2012, chapter 235, section 11.
 1.9

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

1.11 Section 1. Minnesota Statutes 2012, section 297G.07, subdivision 1, is amended to read:

1.12 Subdivision 1. **Exemptions.** The following are not subject to the excise tax:

1.13 (1) Sales by a manufacturer, brewer, or wholesaler for shipment outside the state
 1.14 in interstate commerce.

1.15 (2) Alcoholic beverages sold or transferred between Minnesota wholesalers.

1.16 (3) Sales to common carriers engaged in interstate transportation of passengers,
 1.17 except as provided in this chapter.

1.18 (4) Malt beverages served by a brewery for on-premise consumption at no charge, or
 1.19 distributed to brewery employees for on-premise consumption under a labor contract.

1.20 (5) Shipments of wine to Minnesota residents under section 340A.417.

1.21 (6) Fruit juices naturally fermented or beer naturally brewed in the home for family
 1.22 use and not sold or offered for sale.

1.23 (7) Sales of wine for sacramental purposes under section 340A.316.

1.24 (8) Alcoholic beverages sold to authorized manufacturers of food products or
 1.25 pharmaceutical firms. The alcoholic beverage must be used exclusively in the manufacture
 1.26 of food products or medicines. For purposes of this clause, "manufacturer" means a

2.1 person who manufactures food products intended for sale to wholesalers or retailers for
 2.2 ultimate sale to the consumer.

2.3 (9) Liqueur-filled candy.

2.4 (10) Sales to a federal agency, that the state of Minnesota is prohibited from taxing
 2.5 under the Constitution or laws of the United States or under the Constitution of Minnesota.

2.6 (11) Sales to Indian tribes as defined in section 297G.08.

2.7 (12) Shipments of intoxicating liquor from foreign countries to diplomatic personnel
 2.8 of foreign countries assigned to service in this state.

2.9 (13) Shipments of bulk distilled spirits or bulk wine to farm wineries licensed under
 2.10 section 340A.315 for input to the final product.

2.11 **EFFECTIVE DATE.** The amendment to clause (6) is effective the day following
 2.12 final enactment. Clause (13) is effective July 1, 2014.

2.13 Sec. 2. Minnesota Statutes 2012, section 340A.101, is amended by adding a
 2.14 subdivision to read:

2.15 Subd. 4a. **Bulk distilled spirits.** "Bulk distilled spirits" means distilled spirits in a
 2.16 container having a capacity in excess of one gallon.

2.17 **EFFECTIVE DATE.** This section is effective July 1, 2014.

2.18 Sec. 3. Minnesota Statutes 2012, section 340A.101, is amended by adding a
 2.19 subdivision to read:

2.20 Subd. 4b. **Bulk wine.** "Bulk wine" means wine in a container having a capacity
 2.21 of five or more gallons.

2.22 **EFFECTIVE DATE.** This section is effective July 1, 2014.

2.23 Sec. 4. **[340A.22] MICRODISTILLERIES.**

2.24 Subdivision 1. **Activities.** (a) A microdistillery licensed under section 340A.301,
 2.25 subdivision 6c, may provide on its premises samples of distilled spirits manufactured on
 2.26 its premises in an amount not to exceed 15 milliliters per variety per person. No more than
 2.27 45 milliliters may be sampled under this paragraph by any person on any day.

2.28 (b) A microdistillery may sell cocktails to the public pursuant to subdivision 2.

2.29 Subd. 2. **Cocktail room license.** (a) A municipality, including a city with a
 2.30 municipal liquor store, may issue the holder of a microdistillery license under section
 2.31 340A.301, subdivision 6c, a microdistillery cocktail room license. A microdistillery
 2.32 cocktail room license authorizes on-sale of distilled liquor produced by the distiller for

3.1 consumption on the premises of or adjacent to one distillery location owned by the
 3.2 distiller. Nothing in this subdivision precludes the holder of a microdistillery cocktail
 3.3 room license from also holding a license to operate a restaurant at the distillery. Section
 3.4 340A.409 shall apply to a license issued under this subdivision. All provisions of this
 3.5 chapter that apply to a retail liquor license shall apply to a license issued under this
 3.6 subdivision unless the provision is explicitly inconsistent with this subdivision.

3.7 (b) A distiller may have only one cocktail room license under this subdivision,
 3.8 and may not have an ownership interest in a distillery licensed under section 340A.301,
 3.9 subdivision 6, paragraph (a).

3.10 (c) The municipality shall impose a licensing fee on a distiller holding a
 3.11 microdistillery cocktail room license under this subdivision, subject to limitations
 3.12 applicable to license fees under section 340A.408, subdivision 2, paragraph (a).

3.13 (d) A municipality shall, within ten days of the issuance of a license under this
 3.14 subdivision, inform the commissioner of the licensee's name and address and trade name,
 3.15 and the effective date and expiration date of the license. The municipality shall also
 3.16 inform the commissioner of a license transfer, cancellation, suspension, or revocation
 3.17 during the license period.

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

3.19 Sec. 5. Minnesota Statutes 2013 Supplement, section 340A.301, subdivision 6b,
 3.20 is amended to read:

3.21 Subd. 6b. **Brewer taproom license.** (a) A municipality, including a city with a
 3.22 municipal liquor store, may issue the holder of a brewer's license under subdivision 6,
 3.23 clause (c), (i), or (j), a brewer taproom license. A brewer taproom license authorizes on-sale
 3.24 of malt liquor produced by the brewer for consumption on the premises of or adjacent
 3.25 to one brewery location owned by the brewer. Nothing in this subdivision precludes the
 3.26 holder of a brewer taproom license from also holding a license to operate a restaurant at
 3.27 the brewery. Section 340A.409 shall apply to a license issued under this subdivision. All
 3.28 provisions of this chapter that apply to a retail liquor license shall apply to a license issued
 3.29 under this subdivision unless the provision is explicitly inconsistent with this subdivision.

3.30 (b) A brewer may only have one taproom license under this subdivision, and may
 3.31 not have an ownership interest in a brewery licensed under subdivision 6, clause (d).

3.32 (c) A municipality may not issue a brewer taproom license to a brewer if the brewer
 3.33 seeking the license, or any person having an economic interest in the brewer seeking the
 3.34 license or exercising control over the brewer seeking the license, is a brewer that brews

4.1 more than 250,000 barrels of malt liquor annually or a winery that produces more than
4.2 250,000 gallons of wine annually.

4.3 (d) The municipality shall impose a licensing fee on a brewer holding a brewer
4.4 taproom license under this subdivision, subject to limitations applicable to license fees
4.5 under section 340A.408, subdivision 2, paragraph (a).

4.6 (e) A municipality shall, within ten days of the issuance of a license under this
4.7 subdivision, inform the commissioner of the licensee's name and address and trade name,
4.8 and the effective date and expiration date of the license. The municipality shall also
4.9 inform the commissioner of a license transfer, cancellation, suspension, or revocation
4.10 during the license period.

4.11 (f) Notwithstanding section 340A.504, subdivision 3, a taproom may be open and
4.12 may conduct on-sale business on Sundays if authorized by the municipality.

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

4.14 Sec. 6. Minnesota Statutes 2013 Supplement, section 340A.301, subdivision 6c,
4.15 is amended to read:

4.16 Subd. 6c. **Microdistilleries.** ~~(a) A microdistillery may provide on its premises~~
4.17 ~~samples of distilled spirits manufactured on its premises, in an amount not to exceed 15~~
4.18 ~~milliliters per variety per person. No more than 45 milliliters may be sampled under~~
4.19 ~~this paragraph by any person on any day.~~

4.20 ~~(b)~~ The commissioner shall establish a fee for licensing microdistilleries that
4.21 adequately covers the cost of issuing the license and other inspection requirements. The
4.22 fees shall be deposited in an account in the special revenue fund and are appropriated to
4.23 the commissioner for the purposes of this subdivision.

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

4.25 Sec. 7. Minnesota Statutes 2013 Supplement, section 340A.301, subdivision 6d,
4.26 is amended to read:

4.27 Subd. 6d. **Small brewer license.** (a) A brewer licensed under subdivision 6, clause
4.28 (c), (i), or (j), may be issued a license by a municipality for off-sale of malt liquor at its
4.29 licensed premises that has been produced and packaged by the brewer. The license must be
4.30 approved by the commissioner. The amount of malt liquor sold at off-sale may not exceed
4.31 500 barrels annually. Off-sale of malt liquor shall be limited to the legal hours for off-sale at
4.32 exclusive liquor stores in the jurisdiction in which the brewer is located, and the malt liquor
4.33 sold off-sale must be removed from the premises before the applicable off-sale closing time

5.1 at exclusive liquor stores, except that malt liquor in growlers may be sold at off-sale on
 5.2 Sundays. Sunday sales must be approved by the licensing jurisdiction, and hours may be
 5.3 established by those jurisdictions. The malt liquor shall be packed in 64-ounce containers
 5.4 commonly known as "growlers" or in 750 milliliter bottles. The containers or bottles shall
 5.5 bear a twist-type closure, cork, stopper, or plug. At the time of the sale, a paper or plastic
 5.6 adhesive band, strip, or sleeve shall be applied to the container or bottle and extended over
 5.7 the top of the twist-type closure, cork, stopper, or plug forming a seal that must be broken
 5.8 upon opening of the container or bottle. The adhesive band, strip, or sleeve shall bear the
 5.9 name and address of the brewer. The containers or bottles shall be identified as malt
 5.10 liquor, contain the name of the malt liquor, bear the name and address of the brewer selling
 5.11 the malt liquor, and shall be considered intoxicating liquor unless the alcoholic content is
 5.12 labeled as otherwise in accordance with the provisions of Minnesota Rules, part 7515.1100.

5.13 (b) A brewer may, but is not required to, refill any growler with malt liquor for
 5.14 off-sale at the request of a customer. A brewer refilling a growler must do so at its licensed
 5.15 premises and the growler must be filled at the tap at the time of sale. A growler refilled
 5.16 under this paragraph must be sealed and labeled in the manner described in paragraph (a).

5.17 ~~(b)~~ (c) A brewer may only have one license under this subdivision.

5.18 ~~(e)~~ (d) A municipality may not issue a license under this subdivision to a brewer if
 5.19 the brewer seeking the license, or any person having an economic interest in the brewer
 5.20 seeking the license or exercising control over the brewer seeking the license, is a brewer
 5.21 that brews more than 20,000 barrels of its own brands of malt liquor annually or a winery
 5.22 that produces more than 250,000 gallons of wine annually.

5.23 ~~(d)~~ (e) The municipality shall impose a licensing fee on a brewer holding a license
 5.24 under this subdivision, subject to limitations applicable to license fees under section
 5.25 340A.408, subdivision 3, paragraph (a).

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

5.27 Sec. 8. Minnesota Statutes 2013 Supplement, section 340A.301, subdivision 7, is
 5.28 amended to read:

5.29 Subd. 7. **Interest in other business.** (a) Except as provided in this subdivision,
 5.30 a holder of a license as a manufacturer, brewer, importer, or wholesaler may not have
 5.31 any ownership, in whole or in part, in a business holding a retail intoxicating liquor or
 5.32 3.2 percent malt liquor license. The commissioner may not issue a license under this
 5.33 section to a manufacturer, brewer, importer, or wholesaler if a retailer of intoxicating
 5.34 liquor has a direct or indirect interest in the manufacturer, brewer, importer, or wholesaler.
 5.35 A manufacturer or wholesaler of intoxicating liquor may use or have property rented

6.1 for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the
6.2 property continuously since November 1, 1933. A retailer of intoxicating liquor may not
6.3 use or have property rented for the manufacture or wholesaling of intoxicating liquor.

6.4 (b) A brewer licensed under subdivision 6, clause (d), may be issued an on-sale
6.5 intoxicating liquor or 3.2 percent malt liquor license by a municipality for a restaurant
6.6 operated in the place of manufacture. Notwithstanding section 340A.405, a brewer who
6.7 holds an on-sale license issued pursuant to this paragraph may, with the approval of the
6.8 commissioner, be issued a license by a municipality for off-sale of malt liquor produced
6.9 and packaged on the licensed premises. Off-sale of malt liquor shall be limited to the
6.10 legal hours for off-sale at exclusive liquor stores in the jurisdiction in which the brewer
6.11 is located, and the malt liquor sold off-sale must be removed from the premises before
6.12 the applicable off-sale closing time at exclusive liquor stores, except that malt liquor in
6.13 growlers may be sold at off-sale on Sundays. Sunday sales must be approved by the
6.14 licensing jurisdiction, and hours may be established by those jurisdictions. The malt
6.15 liquor shall be packaged in 64-ounce containers commonly known as "growlers" or in 750
6.16 milliliter bottles. The containers or bottles shall bear a twist-type closure, cork, stopper, or
6.17 plug. At the time of the sale, a paper or plastic adhesive band, strip, or sleeve shall be
6.18 applied to the container or bottle and extend over the top of the twist-type closure, cork,
6.19 stopper, or plug forming a seal that must be broken upon opening of the container or bottle.
6.20 The adhesive band, strip, or sleeve shall bear the name and address of the brewer. The
6.21 containers or bottles shall be identified as malt liquor, contain the name of the malt liquor,
6.22 bear the name and address of the brewer selling the malt liquor, and shall be considered
6.23 intoxicating liquor unless the alcoholic content is labeled as otherwise in accordance with
6.24 the provisions of Minnesota Rules, part 7515.1100. A brewer may, but is not required
6.25 to, refill any growler with malt liquor for off-sale at the request of a customer. A brewer
6.26 refilling a growler must do so at its licensed premises and the growler must be filled at the
6.27 tap at the time of sale. A growler refilled under this paragraph must be sealed and labeled in
6.28 the manner described in this paragraph. A brewer's total retail sales at on- or off-sale under
6.29 this paragraph may not exceed 3,500 barrels per year, provided that off-sales may not total
6.30 more than 500 barrels. A brewer licensed under subdivision 6, clause (d), may hold or have
6.31 an interest in other retail on-sale licenses, but may not have an ownership interest in whole
6.32 or in part, or be an officer, director, agent, or employee of, any other manufacturer, brewer,
6.33 importer, or wholesaler, or be an affiliate thereof whether the affiliation is corporate or by
6.34 management, direction, or control. Notwithstanding this prohibition, a brewer licensed
6.35 under subdivision 6, clause (d), may be an affiliate or subsidiary company of a brewer
6.36 licensed in Minnesota or elsewhere if that brewer's only manufacture of malt liquor is:

- 7.1 (i) manufacture licensed under subdivision 6, clause (d);
- 7.2 (ii) manufacture in another state for consumption exclusively in a restaurant located
- 7.3 in the place of manufacture; or
- 7.4 (iii) manufacture in another state for consumption primarily in a restaurant located
- 7.5 in or immediately adjacent to the place of manufacture if the brewer was licensed under
- 7.6 subdivision 6, clause (d), on January 1, 1995.
- 7.7 (c) Except as provided in subdivision 7a, no brewer as defined in subdivision 7a or
- 7.8 importer may have any interest, in whole or in part, directly or indirectly, in the license,
- 7.9 business, assets, or corporate stock of a licensed malt liquor wholesaler.

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

7.11 Sec. 9. Minnesota Statutes 2012, section 340A.301, subdivision 9, is amended to read:

7.12 Subd. 9. **Unlicensed manufacture.** Nothing in this chapter requires a license for

7.13 the natural fermentation of fruit juices or brewing of beer in the home for family use.

7.14 Naturally fermented fruit juices or beer made under this subdivision may be removed

7.15 from the premises where made for use, including use at organized affairs, exhibitions,

7.16 or competitions such as, but not limited to homemaker's contests, tastings, or judging.

7.17 Naturally fermented fruit juices or beer removed under this subdivision may not be sold

7.18 or offered for sale.

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

7.20 Sec. 10. Minnesota Statutes 2012, section 340A.315, subdivision 2, is amended to read:

7.21 Subd. 2. **Sales.** A license authorizes the sale, on the farm winery premises, of table,

7.22 sparkling, or fortified wines produced by that farm winery at on-sale or off-sale, in retail, or

7.23 wholesale lots in total quantities not in excess of ~~50,000~~ 75,000 gallons in a calendar year,

7.24 glassware, wine literature and accessories, cheese and cheese spreads, other wine-related

7.25 food items, and the dispensing of free samples of the wines offered for sale. Sales at on-sale

7.26 and off-sale may be made on Sundays between 10:00 a.m. and 12:00 midnight. Labels for

7.27 each type or brand produced must be registered with the commissioner, without fee prior

7.28 to sale. A farm winery may provide samples of distilled spirits manufactured pursuant to

7.29 subdivision 7, on the farm winery premises, but may sell the distilled spirits only through a

7.30 licensed wholesaler. Samples of distilled spirits may not exceed 15 milliliters per variety.

7.31 **EFFECTIVE DATE.** This section is effective July 1, 2014.

8.1 Sec. 11. Minnesota Statutes 2012, section 340A.315, is amended by adding a
8.2 subdivision to read:

8.3 Subd. 10. **Storage.** A farm winery may store finished wine and distilled spirits in
8.4 a noncontiguous warehouse location, provided that the chosen location complies with
8.5 Minnesota Rules, part 7515.0300, subpart 12, and any other state or federal requirements.
8.6 Cartage of finished goods between the farm winery and warehouse must be continuously
8.7 in the possession of a motor carrier of property as defined in section 221.012, subdivision
8.8 27, or carried in a motor vehicle owned, leased, or rented by the farm winery.

8.9 **EFFECTIVE DATE.** This section is effective July 1, 2014.

8.10 Sec. 12. Minnesota Statutes 2012, section 340A.315, is amended by adding a
8.11 subdivision to read:

8.12 Subd. 11. **Bulk wine or distilled spirits.** If no wholesaler is able to provide
8.13 bulk wine or bulk distilled spirits, a farm winery may purchase either bulk wine or bulk
8.14 distilled spirits for purposes allowed under this chapter from any available source allowed
8.15 under federal law.

8.16 **EFFECTIVE DATE.** This section is effective July 1, 2014.

8.17 Sec. 13. Minnesota Statutes 2012, section 340A.316, is amended to read:

8.18 **340A.316 SACRAMENTAL WINE.**

8.19 The commissioner may issue a license to a bona fide religious book or supply store
8.20 for the importation and sale of wine exclusively for sacramental purposes. The holder of a
8.21 sacramental wine license may sell wine intended by the manufacturer or the wholesaler for
8.22 sacramental purposes only to a rabbi, priest, or minister of a church, or other established
8.23 religious organization, if the purchaser certifies in writing that the wine will be used
8.24 exclusively for sacramental purposes in religious ceremonies. The annual fee for a
8.25 sacramental wine license is \$50, inclusive of a retail card required under Minnesota Rules,
8.26 part 7515.0210. A seller of sacramental wine does not need insurance required under
8.27 section 340A.409. A rabbi, priest, or minister of a church or other established religious
8.28 organization may import wine exclusively for sacramental purposes without a license.

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

8.30 Sec. 14. Minnesota Statutes 2012, section 340A.404, subdivision 2, is amended to read:

9.1 Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may
9.2 issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the
9.3 Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding
9.4 the limitations of law, or local ordinance, or charter provision relating to zoning or school
9.5 or church distances. The licenses authorize sales on all days of the week to holders
9.6 of tickets for performances presented by the theaters and to members of the nonprofit
9.7 corporations holding the licenses and to their guests.

9.8 (b) The city of Minneapolis may issue an intoxicating liquor license to 510
9.9 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises
9.10 owned by 510 Groveland Associates, notwithstanding limitations of law, or local
9.11 ordinance, or charter provision.

9.12 (c) The city of Minneapolis may issue an on-sale intoxicating liquor license to
9.13 Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540
9.14 Park Avenue South in Minneapolis, ~~and to the American Swedish Institute for use on~~
9.15 ~~the premises owned by the American Swedish Institute at 2600 Park Avenue South,~~
9.16 notwithstanding limitations of law, or local ordinances, or charter provision relating to
9.17 zoning or school or church distances.

9.18 (d) The city of Minneapolis may issue an on-sale intoxicating liquor license to
9.19 the American Association of University Women, Minneapolis branch, for use on the
9.20 premises owned by the American Association of University Women, Minneapolis branch,
9.21 at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local
9.22 ordinances, or charter provisions relating to zoning or school or church distances.

9.23 (e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2
9.24 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an
9.25 on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931
9.26 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

9.27 (f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt
9.28 liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue
9.29 South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue
9.30 South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring
9.31 Playhouse located at 1633 Hennepin Avenue South, the Jungle Theater located at 2951
9.32 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South,
9.33 the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at
9.34 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter
9.35 provision. The license authorizes sales on all days of the week.

10.1 (g) The city of Minneapolis may issue an on-sale intoxicating liquor license to
10.2 University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant
10.3 or catering operator at the building owned and operated by the University Gateway
10.4 Corporation on the University of Minnesota campus, notwithstanding limitations of law, or
10.5 local ordinance or charter provision. The license authorizes sales on all days of the week.

10.6 (h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the
10.7 Walker Art Center's concessionaire or operator, for a restaurant and catering operator
10.8 on the premises of the Walker Art Center, notwithstanding limitations of law, or local
10.9 ordinance or charter provisions. The license authorizes sales on all days of the week.

10.10 (i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the
10.11 Guthrie Theater's concessionaire or operator for a restaurant and catering operator on the
10.12 premises of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or
10.13 charter provisions. The license authorizes sales on all days of the week.

10.14 (j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt
10.15 liquor license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or
10.16 operator for a restaurant and catering operator on the premises of the Minnesota Book and
10.17 Literary Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local
10.18 ordinance or charter provision. The license authorizes sales on all days of the week.

10.19 (k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a
10.20 restaurant located at 5411 Penn Avenue South, notwithstanding any law or local ordinance
10.21 or charter provision.

10.22 (l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the
10.23 Museum of Russian Art's concessionaire or operator for a restaurant and catering operator
10.24 on the premises of the Museum of Russian Art located at 5500 Stevens Avenue South,
10.25 notwithstanding any law or local ordinance or charter provision.

10.26 (m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the
10.27 American Swedish Institute or to its concessionaire or operator for use on the premises
10.28 owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding
10.29 limitations of law, or local ordinances, or charter provision relating to zoning or school
10.30 or church distances.

10.31 (n) Notwithstanding any other law, local ordinance, or charter provision, the
10.32 city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to the
10.33 Minneapolis Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity
10.34 holding a concessions or catering contract with the Minneapolis Institute of Arts for use
10.35 on the premises of the Minneapolis Institute of Arts. The licenses authorized by this
10.36 subdivision may be issued for space that is not compact and contiguous, provided that all

11.1 such space is included in the description of the licensed premises on the approved license
 11.2 application. The licenses authorize sales on all days of the week.

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

11.5 Sec. 15. Minnesota Statutes 2012, section 340A.404, subdivision 5, is amended to read:

11.6 Subd. 5. **Wine licenses.** (a) A municipality may issue an on-sale wine license with
 11.7 the approval of the commissioner to a restaurant having facilities for seating at least
 11.8 25 guests at one time. A wine license permits the sale of wine of up to ~~14~~ 24 percent
 11.9 alcohol by volume for consumption ~~with the sale of food.~~ A wine license authorizes the
 11.10 sale of wine on all days of the week unless the issuing authority restricts the license's
 11.11 authorization to the sale of wine on all days except Sundays.

11.12 (b) The governing body of a municipality may by ordinance authorize a holder of
 11.13 an on-sale wine license issued pursuant to paragraph (a) who is also licensed to sell 3.2
 11.14 percent malt liquors at on-sale pursuant to section 340A.411, ~~and whose gross receipts~~
 11.15 ~~are at least 60 percent attributable to the sale of food,~~ to sell intoxicating malt liquors
 11.16 at on-sale without an additional license.

11.17 (c) A municipality may issue an on-sale wine license with the approval of the
 11.18 commissioner to a licensed bed and breakfast facility. A license under this paragraph
 11.19 authorizes a bed and breakfast facility to furnish wine only to registered guests of the
 11.20 facility and, if the facility contains a licensed commercial kitchen, also to guests attending
 11.21 private events at the facility.

11.22 (d) The State Agricultural Society may issue an on-sale wine license to the holder of
 11.23 a state fair concession contract pursuant to section 37.21, subdivision 2.

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

11.25 Sec. 16. Minnesota Statutes 2012, section 340A.415, is amended to read:

11.26 **340A.415 LICENSE REVOCATION OR SUSPENSION; CIVIL PENALTY.**

11.27 On a finding that the license or permit holder has (1) sold alcoholic beverages to
 11.28 another retail licensee for the purpose of resale, (2) purchased alcoholic beverages from
 11.29 another retail licensee for the purpose of resale, (3) conducted or permitted the conduct
 11.30 of gambling on the licensed premises in violation of the law, (4) failed to remove or
 11.31 dispose of alcoholic beverages when ordered by the commissioner to do so under section
 11.32 340A.508, subdivision 3, or (5) failed to comply with an applicable statute, rule, or
 11.33 ordinance relating to alcoholic beverages; or the operation of the licensed establishment,

12.1 or failed to comply with a lawful license condition duly imposed by the authority issuing
12.2 the license or permit or agreed to by the license or permit holder, the commissioner or the
12.3 authority issuing a retail license or permit under this chapter may revoke the license or
12.4 permit, suspend the license or permit for up to 60 days, impose a civil penalty of up to
12.5 \$2,000 for each violation, or impose any combination of these sanctions. No suspension
12.6 or revocation takes effect until the license or permit holder has been given an opportunity
12.7 for a hearing under sections 14.57 to 14.69 of the Administrative Procedure Act. This
12.8 section does not require a political subdivision to conduct the hearing before an employee
12.9 of the Office of Administrative Hearings. Imposition of a penalty or suspension by either
12.10 the issuing authority or the commissioner does not preclude imposition of an additional
12.11 penalty or suspension by the other so long as the total penalty or suspension does not
12.12 exceed the stated maximum. Nothing in this section shall be construed to limit the
12.13 applicability of section 340A.509, except that a local authority may not charge a penalty
12.14 greater than that allowed in this section.

12.15 Sec. 17. Minnesota Statutes 2012, section 340A.508, is amended by adding a
12.16 subdivision to read:

12.17 Subd. 5. **Mixed drinks or cocktails.** Mixed drinks or cocktails mixed on the
12.18 premises that are not for immediate consumption may be consumed on the licensed
12.19 premises subject to the requirements of this subdivision. For purposes of this subdivision,
12.20 a "mixed drink" includes but is not limited to distilled spirits infused with other
12.21 ingredients, or other mixed drinks commonly referred to as cocktails. The following
12.22 requirements shall apply:

12.23 (1) the mixed drinks or cocktails may be stored for no longer than 72 hours in a
12.24 labeled container in a quantity that does not exceed five gallons;

12.25 (2) added flavors and other nonbeverage ingredients included in the mixed drinks
12.26 or cocktails shall not include hallucinogenic substances or added caffeine or other added
12.27 stimulants including but not limited to guarana, ginseng, and taurine; and

12.28 (3) the licensee must keep records as to when the contents in a particular container
12.29 were mixed and the recipe used for that mixture including the brand name of any distilled
12.30 spirits included in the recipe.

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

12.32 Sec. 18. Minnesota Statutes 2012, section 340A.510, subdivision 2, is amended to read:

13.1 Subd. 2. **Malt liquor samples authorized.** (a) Notwithstanding section 340A.308,
13.2 a brewer may purchase from or furnish at no cost to a licensed retailer malt liquor the
13.3 brewer manufactures if:

13.4 (1) the malt liquor is dispensed by the retailer only for samples in a quantity of less
13.5 than 100 milliliters of malt liquor per variety per customer;

13.6 (2) where the brewer furnishes the malt liquor, the retailer makes available for return
13.7 to the brewer any unused malt liquor and empty containers;

13.8 (3) the samples are dispensed by an employee of the retailer or brewer or by a
13.9 sampling service retained by the retailer or brewer and not affiliated directly or indirectly
13.10 with a malt liquor wholesaler;

13.11 (4) not more than three cases of malt liquor are purchased from or furnished to the
13.12 retailer by the brewer for each sampling;

13.13 (5) each sampling continues for not more than eight hours;

13.14 (6) the brewer has furnished malt liquor for not more than ~~five~~ 12 samplings for
13.15 any retailer in any calendar year;

13.16 (7) where the brewer furnishes the malt liquor, the brewer delivers the malt liquor
13.17 for the sampling to its exclusive wholesaler for that malt liquor;

13.18 (8) the brewer has at least seven days before the sampling filed with the commissioner,
13.19 on a form the commissioner prescribes, written notice of intent to furnish malt liquor for
13.20 the sampling, which contains (i) the name and address of the retailer conducting the
13.21 sampling, (ii) the maximum amount of malt liquor to be furnished or purchased by the
13.22 brewer, (iii) the number of times the brewer has furnished malt liquor to the retailer in the
13.23 calendar year in which the notice is filed, (iv) the date and time of the sampling, (v) where
13.24 the brewer furnishes the malt liquor, the exclusive wholesaler to whom the brewer will
13.25 deliver the malt liquor, and (vi) a statement by the brewer to the effect that to the brewer's
13.26 knowledge all requirements of this section have been or will be complied with; and

13.27 (9) the commissioner has not notified the brewer filing the notice under clause (8)
13.28 that the commissioner disapproves the notice.

13.29 (b) For purposes of this subdivision, "licensed retailer" means a licensed on-sale or
13.30 off-sale retailer of alcoholic beverages and a municipal liquor store.

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

13.32 Sec. 19. **BROOKLYN PARK.**

13.33 Notwithstanding any law or ordinance to the contrary, the city of Brooklyn Park may
13.34 issue an on-sale intoxicating liquor license to a wedding event center located at 9500 West

14.1 River Road North. The provisions of Minnesota Statutes, chapter 340A, not inconsistent
 14.2 with this section, apply to the license issued under this section.

14.3 **EFFECTIVE DATE.** This section is effective upon approval by the Brooklyn Park
 14.4 City Council and compliance with Minnesota Statutes, section 645.021.

14.5 Sec. 20. **CITY OF RICHFIELD; ON-SALE LICENSE.**

14.6 Notwithstanding any law or ordinance to the contrary, in addition to the number of
 14.7 licenses authorized, the city of Richfield may issue an on-sale wine license and an on-sale
 14.8 malt liquor license to a person who is the owner of a junior hockey league team or to a
 14.9 person holding a concessions or management contract with the city or the team owner, for
 14.10 beverage sales at the Richfield Ice Arena. The licenses must authorize the dispensing of
 14.11 wine or malt liquor only to persons attending events at the arena for consumption on the
 14.12 premises. A license issued under this section authorizes sales on all days of the week to
 14.13 persons attending junior hockey league games at the arena.

14.14 **EFFECTIVE DATE.** This section is effective upon timely compliance by the
 14.15 governing body of the city of Richfield and its chief clerical officer with Minnesota
 14.16 Statutes, section 645.021, subdivisions 2 and 3.

14.17 Sec. 21. **SPECIAL CLOSING TIMES; 2014 ALL-STAR GAME.**

14.18 During the 2014 Major League Baseball All-Star Game at Target Field, licensing
 14.19 jurisdictions that lie fully or partially within Hennepin County may at their discretion issue
 14.20 special permits for service of alcohol through extended hours lasting until 4:00 a.m. each
 14.21 day. This section is subject to the following conditions:

14.22 (1) only holders of an existing on-sale intoxicating liquor license or a 3.2 malt liquor
 14.23 license are eligible for later closing hours;

14.24 (2) later closing hours apply only during the period from 12:00 p.m. on July 15,
 14.25 2014, through 4:00 a.m. on July 16, 2014;

14.26 (3) local licensing jurisdictions issuing special permits to operate with extended hours
 14.27 during these days may charge a fee up to but not to exceed \$2,500 for such a permit. In the
 14.28 process of issuing a permit under this section, the licensing jurisdiction may limit approval
 14.29 to specified geographic, zoning, or license classifications within its jurisdiction; and

14.30 (4) this section is repealed as of 4:01 a.m. on July 16, 2014.

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

14.32 Sec. 22. **SPECIAL LICENSE; GOLDEN VALLEY.**

15.1 Notwithstanding any law or ordinance to the contrary, the city of Golden Valley may
15.2 issue an on-sale license for a golf course and a community center that is located at 200
15.3 Brookview Parkway and is owned by the city. The provisions of Minnesota Statutes,
15.4 chapter 340A, not inconsistent with this section, apply to the license issued under this
15.5 section. The city of Golden Valley is deemed the licensee under this section, and the
15.6 provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license
15.7 as if the establishment were a municipal liquor store.

15.8 **EFFECTIVE DATE.** This section is effective upon approval by the Golden Valley
15.9 City Council and compliance with Minnesota Statutes, section 645.021.

15.10 Sec. 23. **REPEALER.**

15.11 Laws 2012, chapter 235, section 11, is repealed.

APPENDIX
Repealed Minnesota Session Laws: S2346-1

Laws 2012, chapter 235, section 11

Sec. 11. EXPIRATION.

The changes in section 3 to Minnesota Statutes, section 340A.404, subdivision 4a, expire July 1, 2014.