

given effect without the invalid provisions or applications and to this end the provisions of this act are declared to be severable.

Sec. 23. **Construction of act.**—This act shall not be construed so as to abridge any of the powers granted by law to the Minnesota Aeronautics Commission.

Sec. 24. **Effective July 6, 1943.**—This act shall take effect and be in force from and after July 6, 1943.

Approved April 19, 1943.

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#### CHAPTER 501—H. F. No. 1215.

(AMENDING SECTIONS 340.11; 340.12 AND 340.13 MINNESOTA STATUTES 1941.)

*An act relating to intoxicating liquors and amending Mason's Supplement 1940, Section 3200-25, as amended by Chapters 4, 34, 359, and 485, Laws of 1941, Section 3200-26, and Section 3200-27.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Law amended.**—That Mason's Supplement 1940, Section 3200-25 be and the same is hereby amended so that the same shall be and read as follows:

“3200-25. **Licenses.**—It shall be unlawful for any person, directly or indirectly, upon any pretense or by any device, to manufacture, import, sell, exchange, barter, dispose of, or keep for sale any intoxicating liquor without first having obtained a license therefor, as herein provided. Nothing herein shall prohibit the natural fermentation of fruit juices in the home for family use. All manufacturers' and wholesalers' licenses shall include the right to import and shall be granted by the liquor control commissioner. The business of manufacturer and wholesaler may be combined and carried on under one license issued therefor. All licenses for retail 'Off sale' shall be granted by the local governing body, subject to the approval of the liquor control commissioner, and not effective until so approved.

The liquor control commissioner may issue a license or permit to any railroad company, dining car company, or sleeping car company, water transportation company or other common carrier operating in this state, to sell intoxicating liquors referred to in this chapter upon any vessel, dining car, buffet, observation, or

cafe car where meals or lunches are served. Each such company applying for such license shall pay to the liquor control commissioner a fee of \$25.00 per annum. A duplicate of such license shall be posted in each car and for each duplicate of such license a fee of \$1.00 shall be paid. Such license so granted shall cover and permit the sale of such intoxicating liquor in the state, or any political subdivision thereof, in any vessel, dining car, buffet, observation or cafe car which is a part of a train or which is about to become a part of a train then being operated or to be operated in this state. Such liquor to be sold only to bona fide passengers or persons actually being transported.

"Off sale" license issued by any municipality shall not be effective until approved, together with the bond, by the liquor control commissioner, but no fee shall be payable to such commissioner for such approval.

"All 'On sale' licenses shall be granted and the annual license fee therefor fixed by the respective local governing bodies of the various political subdivisions of the state, and such governing bodies shall have the right to revoke licenses issued by them, for cause. *The governing body of any municipality issuing "On sale" licenses shall within ten days after such issuance submit to the liquor control commissioner the full name and address of each person granted such license, and other information shall include the trade name, the effective license date, the date of expiration and any change of address, transfer, cancellation or the revocation of such license by the governing body during the license period.* No 'On sale' licenses shall be issued contrary to any of the provisions of Section 340.07 to 340.40. Not more than one 'On sale' license shall be issued in any city of the first class for every 1,500 inhabitants. Notwithstanding this limitation any city of the first class in which licenses have heretofore been issued upon an estimated population computed upon the increase in population in the city between the federal census of 1920 and the federal census of 1930, or where the 1940 federal census shows a decrease from the 1930 census and as a result thereof 'On sale' licenses have been issued in excess of one for every 1,500 inhabitants as determined by the federal census of 1940, that city of the first class may continue to issue the number of 'On sale' licenses which it issued in the year 1940. Not more than 200 'On sale' licenses shall be issued in any city of the first class. Not more than 15 'On sale' licenses shall be issued in any city of the second class. 'On sale' licenses may be issued, except in cities of the first class, in addition to the limitations, as herein provided, to bona fide clubs in existence for 20 years which are duly incorporated and which licenses shall be for the sale of intoxicating liquors to members only for a license fee of \$100.00. Not more than ten 'On sale'

licenses shall be issued in any city of the third class. Not more than five 'On sale' licenses shall be issued in any city of the fourth class, or borough. Not more than ten 'On sale' licenses shall be issued in any village of over 10,000 population. Not more than five 'On sale' licenses shall be issued in any village of 5,000 to 10,000 population. Not more than four 'On sale' licenses shall be issued in any village of 2,500 to 5,000 population. Not more than three 'On sale' licenses shall be issued in any village of 500 to 2,500 population. Not more than two 'On sale' licenses shall be issued in any village of less than 500 population. In cities of the fourth class containing a population of more than 5,000 situated in counties containing not less than 20,000, nor more than 25,000, inhabitants according to the 1930 federal census, and containing not less than 20, nor more than 21, full and fractional congressional townships, ten 'On sale' licenses may be issued. In any city of the fourth class, operating under a home rule charter, having a population in excess of 7,500, located in a county having not less than 29, nor more than 30, full and fractional townships, with an assessed valuation in excess of \$10,000,000, exclusive of money and credits, and having a population in excess of 23,000 according to the last federal census, the council may issue one 'On sale' license for every 800 inhabitants or fraction thereof. In any city of the fourth class, organized under any general or special law and having a population of not less than 500, nor more than 1,000, excepting any city of the fourth class governed under a home rule charter adopted pursuant to the Constitution of the State of Minnesota, Article 4, Section 36, not more than three 'Off sale' licenses may be issued therein. In any city of the fourth class operating under a home rule charter, having a population exceeding 4,000 and not more than 4,500, according to the 1940 federal census, located in a county containing not less than 12, nor more than 13, townships, there may be issued in addition to the five 'On sale' licenses herein provided for, only one 'On sale' license to an hotel which operates a dining room serving meals regularly and which contains not less than 40 sleeping rooms. In counties having an area of more than 5,000 square miles, if the liquor control commissioner approves, the governing body in cities of the third class may grant 15 such licenses, and in cities of the fourth class may issue nine such licenses, and in villages having a population of more than 2,500, and less than 5,000, six such licenses. In cities of the fourth class situated in any county in this state having not less than 100, nor more than 110, full and fractional congressional townships, and having a population of not less than 13,000, nor more than 15,000, according to the last federal census, the number of 'On sale' licenses shall be determined by the governing body thereof, and where such a city is operating a municipal liquor store at 'Off sale' only, 'On sale' licenses may be granted

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to hotels, clubs, restaurants, and exclusive liquor stores. 'On sale' licenses may be issued for the sale of intoxicating liquor in hotels, clubs and restaurants, in cities of the first, second, and third class and villages of over 10,000 inhabitants. Such licenses may be issued in cities of the fourth class and other villages and boroughs for such sale of intoxicating liquor in hotels, clubs, or exclusive liquor stores, which exclusive liquor stores the governing body of such municipalities may establish or permit to be established for the dispensation of liquor either 'On sale' or 'Off sale', or both. In cities and villages having over 5,000 and not more than 10,000 population, the municipality may license 'On sale' in restaurants in lieu of the establishment of exclusive liquor stores.

"In cities of the first class not more than one 'Off sale' license shall be granted for every 5,000 inhabitants in any such city. Notwithstanding this limitation, any city of the first class in which 'Off sale' licenses have heretofore been issued upon an estimated population computed upon the increase in population in the city between the federal census of 1920 and the federal census of 1930, or where the 1940 federal census shows a decrease from the 1930 census and as a result of such computation of 'Off sale' licenses have been issued in excess of one for every 5,000 inhabitants as determined by the federal census of 1940, that city of the first class may continue to issue the number of 'Off sale' licenses which it issued in 1940. In such cities, such licenses shall be issued only to proprietors of drug stores, general food stores, and exclusive liquor stores. In all other cities, villages, and boroughs, the number of 'Off sale' licenses to be issued therein shall be determined by the local governing body. In all cities, villages, and boroughs other than cities of the first class, 'Off sale' licenses shall be issued only to proprietors of drug stores and exclusive liquor stores. Not more than one 'Off sale' license shall be issued in any city, village, or borough of less than 1,000 population.

The license fees to be paid before the issuance of licenses shall be as follows:

"(a) Any manufacturer shall pay to the state an annual license fee in the sum of \$2,500.00, except that brewers of intoxicating malt beverages shall pay to this state an annual license fee of \$500.00, and except that a manufacturer of wines containing not more than 24 per cent of alcohol by *volume* shall pay to the state an annual license fee of \$250.00.

"(b) Any wholesaler as herein defined shall pay to the state an annual license fee in the sum of \$2,500.00, except that wholesalers of wine containing not more than 24 per cent of alcohol by *volume* and wholesalers of beer containing more than 3.2

per cent of alcohol by weight shall pay to the state an annual license fee of \$250.00.

(c) The maximum license fee for an 'Off sale' license in cities of the first class shall be the sum of \$250.00; in all cities and villages of over 10,000 population, except cities of the first class, the maximum license fee for an 'Off sale' license shall be \$200.00; in all cities and villages with a population between 5,000 and 10,000 the maximum license fee shall be \$150.00; in all cities, villages, and boroughs of 5,000 population, or less, the maximum license fee shall be \$100.00. All such license fees for 'Off sale' licenses shall be payable in the municipalities issuing the license. Where such licenses shall be issued for less than one year, a fee may be a pro rata share of the annual license fee.

"No license for the sale of intoxicating liquor shall be issued by any newly incorporated village, until the expiration of two years from the date of incorporation. Provided, however, that in any city or village which has established a municipal 'Off sale' liquor store since January 1, 1940, any duly organized club which, prior to January 1, 1940, held a club license either under this section or pursuant to Chapter 154, Laws 1939, shall be entitled to a new 'On sale' license notwithstanding the provisions herein contained."

Sec. 2. **Law amended.**—That Mason's Supplement 1940, 3200-26, be and the same is hereby amended so that the same shall be and read as follows:

"3200-26. **Application for license.**—Every person desiring a license from the liquor control commissioner shall file with him a verified written application in the form to be prescribed by him. All applicants for manufacturer's and wholesaler's licenses to sell intoxicating liquor shall file with the liquor control commissioner a bond with corporate surety to be approved by him before granting such license, or, in lieu thereof, cash or United States government bonds in the sum of \$10,000.00, according to the character of the license, made payable to the State of Minnesota. All applicants for a license to sell intoxicating liquors on any railroad train or other common carrier shall file with the liquor control commissioner a bond with corporate surety to be approved by him before granting such license, or, in lieu thereof, cash or United States government bonds in the sum of \$1,000.00. All manufacturers and wholesalers of wines containing not more than 24 per cent of alcohol by *volume*, and manufacturers and wholesalers of beer containing more than 3.2 per cent of alcohol by weight shall file with the liquor control commissioner a bond with corporate surety to be approved by him before granting such licenses, or, in lieu thereof, cash or United States government bonds in the sum of \$5,000.00.

"Every person desiring a license from a local governing body shall file with the clerk of the municipality a verified written application in the form to be prescribed by the liquor control commissioner, with such additional information as the local governing body shall require. An applicant for an 'Off sale' license shall file with the clerk of the proper municipality a bond with corporate surety, or, in lieu thereof, cash or United States government bonds in a sum, not less than \$1,000.00, and not more than \$3,000.00, as the local governing body of such municipality shall determine, which bond shall be approved by such local governing body and the liquor control commissioner.

"An applicant for an 'On sale' license shall file with the clerk of the proper municipality a bond with corporate surety, or, in lieu thereof, cash or United States government bonds in a sum, not less than \$3,000.00, nor more than \$5,000.00, as the local governing body of such municipality shall determine, which bond shall be approved by such local governing body.

"Bonds of manufacturers, wholesalers and common carriers, shall run to the State of Minnesota. Bonds of 'On sale' and 'Off sale' retail dealers shall run to the municipality in which the license is issued. All such bonds shall be conditioned as follows:

"As to manufacturers, wholesalers and common carriers:

"(a) That the licensee will obey the law relating to such licensed business.

"(b) That the licensee shall pay to the state when due all taxes, license fees, penalties and other charges payable by him under this act, or any other law relating to the manufacture, distribution or sale of intoxicating liquor.

"(c) That in the event of any violation of the provisions of law, such bond shall be forfeited to the State of Minnesota as hereinafter provided.

"As to 'Off sale' and 'On sale' dealers:

"(a) That the licensee will obey the law relating to such licensed business.

"(b) That the licensee will pay to the municipality when due all taxes, license fees, penalties and other charges provided by law,

"(c) That in the event of any violation of the provisions of any law relating to the retail 'Off sale' and retail 'On sale' of intoxicating liquor, such bond shall be forfeited to the municipality in which such license was issued.

“(d) That the licensee will pay to the extent of the principal amount of such bond any damages for death or injury caused by or resulting from the violation of any provisions of law relating thereto, and in such cases recovery under this subdivision ‘(d)’ may be had from the surety on his bond. The amount specified in such bond is declared to be a penalty, the amount recoverable to be measured by the actual damages; provided, however, that in no case shall such surety be liable for any amount in excess of the penal amount of the bond.

“All such bonds shall be for the benefit of the obligee and all persons suffering damages by reason of the breach of the conditions thereof. In the event of the forfeiture of any such bond for violation of law, the District Court of the county wherein such licensed business was carried on may forfeit the penal sum of said bond or any part thereof, to the state or municipality named as obligee in such bond.

Sec. 3. **Law amended.**—That Mason’s Supplement 1940, Section 3200-27 be and the same is hereby amended so that the same shall be and read as follows:

“3200-27. **Revocation of licenses.**—Any license issued under the provisions of this act may be revoked by the authority issuing such license for violation of any provisions of this act. ‘Off sale’ licenses may be revoked by the governing body of the municipality after hearing or revoked by the liquor control commissioner after hearing. No manufacturer or wholesaler shall either directly or indirectly own or control or have any financial interest in any retail business selling intoxicating liquor, but this restriction shall not be construed to deny such person the right to use or have his property rented for such purposes in any case where the manufacturer or wholesaler was the bona fide owner of the premises prior to November 1, 1933. No manufacturer or wholesaler shall exact or require, by contract, understanding or otherwise, any licensed retailer to handle or sell only the products of any particular manufacturer or wholesaler. No license shall be granted to any person who opens a new drug store after the passage of this Act, until such person shall have operated such store continuously for a period of two years, or shall have purchased a drug store that shall have been in continuous operation for two years. All licenses issued for any one municipality except manufacturer’s and wholesaler’s licenses, shall expire at the same time. No more than one retailer’s license shall be directly or indirectly issued to any one person or for any one place, in each municipality. No retailer’s ‘On sale’ or retailer’s ‘Off sale’ license shall be directly or indirectly issued with respect to any place in any municipality maintaining an exclusive liquor store nor to any person or for any place for which a license of another class has been granted. No ‘On sale’ or

'Off sale' license shall be effective beyond the compact and contiguous space named therein for which the same was granted, except that an 'On sale' license granted for sales in the dining room of any hotel in cities of the first and second class and villages of over 10,000 may permit sales of liquor with meals in additional dining rooms open to the public and specified in the license where meals are regularly served to guests therein. No license shall be issued for premises located within areas restricted against commercial use through zoning ordinances or other proceedings or legal processes regularly had for that purpose, except that licenses may be issued for sale in restaurants in premises which have been restricted against commercial uses since the establishment of such restaurants therein; and no license shall be issued contrary to the provisions of any charter, ordinance, or any special law restricting areas within which intoxicating liquor may be sold. No license shall be issued for premises or places in which the sale or use thereof has been prohibited by Mason's Minnesota Statutes, 1927, Sections 3238-3 to 3238-21, inclusive; provided, however, that Laws 1923, Chapter 139, Section 6, the same being Mason's Minnesota Statutes, 1927, Section 10166, is hereby repealed. No license shall be issued to any person in connection with the premises of another to whom no license could be issued under the provisions of this act, except as otherwise provided in this act provided that this provision shall not prevent the granting of a license to a proper lessee by reason of the fact that he shall lease premises of a minor, non-citizen, or a person who has been convicted of a crime other than a violation of this act. No more than one license shall be issued to any person in any municipality except as specifically provided in this act. No 'Off sale' license shall be issued for any place where non-intoxicating malt beverages shall be sold for consumption on the premises, *except that in cities of the fourth class and villages where the applicant for such 'Off sale' license shall also have for such place a legally issued 'On sale' intoxicating liquor license.* A license shall be non-transferable without the consent of the authority issuing the license, and shall be posted in a conspicuous place in the premises for which it is issued. No license shall be effective until a permit shall be issued to the licensee under the laws of the United States of America if such a permit be required under such laws. No license shall be issued to other than a citizen of the United States over 21 years of age who shall be of good moral character and repute nor to any person who shall be hereafter convicted of any wilful violation of any law of the United States or the State of Minnesota or of any local ordinance with regard to the manufacture, sale, distribution or possession for sale or distribution of intoxicating liquor, nor to any person whose license under this act shall be revoked for any wilful violation of any such law or ordinances.



"The legislature expressly reserves the right to limit or diminish the number of licenses, to limit the profits of any authorized manufacturer, wholesaler, or retailer as a condition to granting or continuing a license, and to regulate, limit or prohibit the issuance or sale of capital stock in any licensee as a condition to granting a license."

Sec. 4. **Application for act.**—Nothing herein contained or omissions shall be construed as repealing any prior amendments to the foregoing sections by the 1943 session of the legislature.

Approved April 19, 1943.

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#### CHAPTER 502—H. F. No. 1407.

*An act relating to the deposit and keeping of public moneys in banks and prescribing certain conditions therefor and penalties for the violation thereof, and to repeal Extra Sessions Laws 1937, Chapter 64.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Law repealed.**—Extra Session Laws 1937, Chapter 64, is hereby repealed.

Approved April 19, 1943.

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#### CHAPTER 503—H. F. No. 47.

*An act creating the Minnesota Institute of Research, providing for its organization and defining its powers and duties, and appropriating funds therefor.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **Minnesota Institute of Research created.**—There is hereby created a research institute to be known as the "Minnesota Institute of Research", hereinafter referred to as the "Institute".

Sec. 2. **Purposes.**—The purpose of the institute is to assist in general research and in the discovery, development, promotion,