

CHAPTER 313—S. F. No. 918

An act relating to intoxicating liquors; amending Minnesota Statutes 1941, Section 340.12, as amended by Laws 1943, Chapter 568, Section 1.

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

Section 1. Minnesota Statutes 1941, Section 340.12, as amended by Laws 1943, Chapter 568, Section 1, is amended to read as follows:

340.12. 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 the commissioner. 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 the liquor control commissioner, before granting such license, or, in lieu thereof, cash or United States Government bonds in the sum of \$10,000, 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 the liquor control commissioner 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 25 per cent of alcohol by weight 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 the liquor control commissioner before granting such license, 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 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 a liability insurance policy 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 or policy 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 a liability insurance policy 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.

In any municipality, when the local governing body thereof shall so provide, a liability insurance policy may be filed in lieu of the bond or cash security, referred to above. Such liability insurance policy shall be in the amount of \$10,000 coverage for one person and \$20,000 coverage for more than one person, and shall specifically provide for the payment by the insurance company on behalf of the insured of all sums which the insured shall become obligated to pay by reason of liability imposed upon him by law for injuries or damage to persons, other than employees, including the liability imposed upon the insured by reason of Minnesota Statutes 1941, Section \$40.95. Such liability insurance policy shall further provide that no cancellation of the same for any cause, can be made either by the insured or the insurance company without first giving ten days' notice to the municipality in writing of intention to cancel the same, addressed to the city clerk of the municipality. The operation of such "Off sale" or "On sale" business without having on file at all times with the municipality the liability insurance policy herein referred to shall be grounds for immediate revocation of the license. No payment of any claim by the insurance company shall, in any manner, decrease the coverage provided for in respect to any other claim or claims brought against the insured or company thereafter. It shall not be necessary when the local governing body of any municipality provides for the filing of such liability insurance policy instead of the bond or cash deposit herein referred to, that such policy include as conditions therein the conditions required in bonds for such dealers and set out in (a) (b) (c) and (d) hereinafter.

Bonds of manufacturers, wholesalers and common carriers shall run to the State of Minnesota, 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 or policy 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 or policy, 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 this bond or policy. The amount specified in such bond or policy 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 or policy.

All such bonds or policies 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 or policy 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 policy, or any part thereof, to the state or municipality named as obligee in such bond or policy.

Sec. 2. Construction. *Nothing herein contained or omissions shall be construed as repealing any prior amendments to the foregoing sections by the 1945 session of the Legislature.*

Approved April 16, 1945.