

compliance with the provisions of Minnesota Statutes, Section 645.021.

Approved February 24, 1967.

CHAPTER 18—S.F. No. 33

[Coded]

An act relating to public officers; interest in contracts.

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

Section 1. [471.881] **Public officers; interest in contracts; exceptions; application.** The exceptions provided in section 471.88 shall apply notwithstanding the provisions of any other statute or city charter.

Approved February 24, 1967.

CHAPTER 19—S.F. No. 337

[Coded in Part]

An act regulating intoxicating liquors and providing penalties for the violating of provisions thereof; amending Minnesota Statutes 1965, Chapter 340, by adding sections thereto; Sections 340.07, 340.08, 340.09, 340.10, 340.11, 340.112, 340.115, 340.13, 340.14, 340.15, and 340.353; repealing Minnesota Statutes 1965, Sections 340.111, 340.116, 340.117, 340.118, 340.161, 340.36, 340.37, 340.40, 340.411, 340.412, 340.413, 340.72, 340.75, and 624.702.

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

Section 1. Minnesota Statutes 1965, Section 340.07, is amended to read:

340.07 **Intoxicating liquor act; definitions.** Subdivision 1. *For the purposes of the intoxicating liquor act, except where the context otherwise requires, the terms defined in this section shall have the meanings given them.*

Changes or additions indicated by *italics*, deletions by *strikeout*.

Subd. 2. The terms "Intoxicating liquor" and "liquor" when used in sections 340.07 to 340.40 mean and include ethyl alcohol, and include distilled, fermented, spirituous, vinous, and malt beverages containing in excess of 3.2 percent of alcohol by weight.

Subd. 3. The terms "Sale" and "sell" and "sold" mean and include all barter and all manners or means of furnishing intoxicating liquor or liquors as above described *including such furnishing* in violation or evasion of law.

Subd. 4. "Off-sale" means the sale of liquor in original packages in retail stores for consumption off or away from the premises where sold.

Subd. 5. "On-sale" means the sale of liquor by the glass for consumption on the premises only.

Subd. 6. The term "Wholesale" means and includes any sale for purposes of resale.

Subd. 7. The term "Manufacturer" includes *means* every person who, by any process of manufacture, fermenting, brewing, distilling, refining, rectifying, blending, or by the combination of different materials, prepares or produces intoxicating liquors for sale.

Subd. 8. The term "Wholesaler" means any person engaged in the business of selling intoxicating liquor to retail dealers.

Subd. 9. The term "Person" includes the meaning extended thereto by section 645.44, subdivision 7.

Subd. 10. The term "Package" or "original package" means and includes any container or receptacle holding liquor, which container or receptacle is corked or sealed.

Subd. 11. The term "Municipality" means any city, village, borough, or public corporation created under Minnesota Statutes, Sections 360.101 to 360.125, inclusive, as to any major airport, as defined by Minnesota Statutes, Section 360.127, operated by any such public corporation where the lands or any part thereof constituting such major airport have been detached from cities and villages under and pursuant to Minnesota Statutes, Sections 360.126 to 360.132, inclusive, or a county which is specifically authorized by law to issue an on-sale license.

Subd. 12. "Hotel" means and includes any establishment having a resident proprietor or manager, where, in consideration of payment therefor, food and lodging are regularly furnished to transients, which maintains for the use of its guests in cities of the first

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class, not less than 50 guest rooms, in cities of the second class, not less than 25 guest rooms, in all other cities, villages and boroughs, not less than ten guest rooms with bedding and other usual suitable and necessary furnishings in each room, which is provided at the main entrance with a suitable lobby, desk, and office for the registration of its guests on the ground floor, which employs an adequate staff to provide suitable and usual service, and which maintains under the same management and control as the rest of the establishment and has, as an integral part thereof, a dining room with appropriate facilities for seating not less than 30 guests at one time, where the general public are, in consideration of payment therefor, served with meals at tables.

Subd. 5. —“*Exclusive liquor store*” is an establishment used exclusively for the sale of intoxicating liquor, cigars, cigarettes, ice, all forms of tobacco, non-intoxicating malt beverages and soft drinks at retail, either on sale or off sale; or both; provided that lunches may be sold in a liquor store located in a village containing less than 500 inhabitants and situated in any county having a population according to the last federal census of not less than 49,000, nor more than 50,000; and having not less than 24, nor more than 25, full and fractional townships. It shall be under control of an individual owner or manager and, if located in municipalities other than cities of the first, second, and third class; it may be owned and operated by the municipality as the governing body thereof shall direct.

Subd. 13. —“*Exclusive liquor store*” is an on-sale or off-sale, or combination on-sale and off-sale, establishment used exclusively for the sale of intoxicating liquor at retail and under the control of an individual owner or manager and as an incident thereof may also sell cigars, cigarettes, ice, all forms of tobacco, non-intoxicating malt beverages, and soft drinks at retail. An exclusive liquor store includes an on-sale or combination on-sale and off-sale establishment operating a restaurant or selling food for consumption on the premises when authorized by the municipality issuing the license.

Subd. 6-14. —“*Restaurant*” means any establishment, other than a hotel, under the control of a single proprietor or manager, having appropriate facilities for the serving of meals, and, in cities of the first class, for seating not less than 50 guests at one time, and, in cities of the second and third class and villages of over 10,000 population and in such cities and villages having over 5,000; and not more than 10,000 population, where “on sale” is provided in restaurants in lieu of the establishment of exclusive liquor stores, for seating such number of guests, not less than 30; as the governing body of such municipality shall determine, and where, in consideration of

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payment therefor, meals are regularly served at tables to the general public, and which employs an adequate staff to provide the usual and suitable service to its guests, and the principal part of the business of which is the serving of foods. *In cities of the first class such establishment shall have facilities for seating not less than 50 guests at one time; in cities of the second and third class and villages of over 10,000 population, such establishment shall have facilities for seating not less than 30 guests at one time, or such greater number as the municipality may determine; and in cities of the fourth class and villages of 10,000 population or less, in such manner as the municipality shall determine.*

Subd. 7. 15. The term "Club" means and includes any corporation duly organized under the laws of the state for civic, fraternal, social, or business purposes or for intellectual improvement, or for the promotion of sports, *or a congressionally chartered veterans' organization*, which shall have more than 50 members, and which shall, for more than a year, have owned, hired, or leased a building or space in a building of such extent and character as may be suitable and adequate for the reasonable and comfortable accommodation of its members, and whose affairs and management are conducted by a board of directors, executive committee, or other similar body chosen by the members at a meeting held for that purpose, none of whose members, officers, agents, or employees are paid directly or indirectly any compensation by way of profit from the distribution or sale of beverages to the members of the club, or to its guests, beyond the amount of such reasonable salary or wages as may be fixed and voted each year by the directors or other governing body.

Subd. 8. 16. The term "Medicines" means and includes only such potable liquids as are prescribed by licensed physicians and dentists for therapeutic purposes, and United States pharmacopeia and national formulary preparations, and preparations used for the mitigation of disease for external and internal purposes which are usually sold in drug stores and intended for therapeutic purposes and not for beverage purposes.

Subd. 9. 17. The term "General food stores" means any place of business carrying a stock of food supplies and primarily engaged in selling food and grocery supplies to the public.

Sec. 2. Minnesota Statutes 1965, Section 340.08, is amended to read:

340.08 Liquor control commissioner. Subdivision 1. The office of liquor control commissioner is hereby established, and

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the liquor control commissioner shall be appointed by the governor, by and with the consent and advice of the senate, ~~whose for a term of office shall be~~ four years from and after January first in the year in which such appointment is made. He shall be a citizen of this state and a resident thereof for not less than five years preceding his appointment and shall have no direct or indirect financial interest in the manufacture, transportation, or sale of intoxicating liquor or any malt or vinous beverages, intoxicating or non-intoxicating, or commercial or industrial alcohol.

Subd. 2. The liquor control commissioner may be removed for cause by the governor, after hearing thereon, and it shall be the duty of the governor to remove him for any violation of sections 340.07 to 340.40 *the intoxicating liquor act*. A record of the charges, proceedings, and findings thereon shall be filed in the office of the governor.

Subd. 4. 3. He shall give a bond, with corporate surety, to the state in the sum of \$50,000, and the employees of the liquor control commissioner shall give bond to the state as may be required by him. The form of all such bonds of the employees shall be prescribed by the liquor control commissioner attorney general.

Sec. 3. Minnesota Statutes 1965, Section 340.09, is amended to read:

340.09 Liquor control commissioner; powers. The principal office of the liquor control commissioner shall be in the city of Saint Paul. He may appoint a secretary and such inspectors, clerks, and other assistants as he may require. All employees of the commissioner shall be in the classified service. He shall set up an adequate system for the administration of Minnesota Statutes 1941, Sections 340.07 to 340.96 *the provisions of Minnesota Statutes, Chapter 340*, and have supervision over and power to regulate all forms of advertising and display of liquors. The commissioner shall have power to make all reasonable regulations to effect the object of sections 340.07 to 340.96 *such chapter* and to fix maximum prices from time to time on all liquors sold at wholesale. Such regulations shall include provisions for assuring the purity of intoxicating liquors and the true statement of its contents and proper labeling thereof with regard to all forms of sale.

Sec. 4. Minnesota Statutes 1965, Section 340.10, is amended to read:

340.10 Publishing regulations. All regulations made by the liquor control commissioner shall be printed in full book form in one issue of a legal newspaper published in the city of Saint

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Path. Such regulations shall be effective otherwise comply with the administrative procedure act as contained in Minnesota Statutes, Chapter 15 five days after such publication; provided that regulations made within 30 days from January 6, 1934, shall be effective immediately upon publication. He shall annually, and at such other intervals as he deems expedient, publish in convenient form all regulations in force and furnish copies thereof to such persons as he deems advisable.

Sec. 5. Minnesota Statutes 1965, Section 340.11, is amended to read:

340.11 Licenses. Subdivision 1. **Prohibitions.** 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.* Sales, however, may be made without a license, *as provided in section 340.413 authorized by subdivision 15.* Nothing herein shall prohibit the natural fermentation of fruit juices in the home for family use.

Subd. 2. Wholesalers' and manufacturers' licenses. *Manufacturers' and wholesalers' licenses shall be issued by the liquor control commissioner.*

All manufacturers' and wholesalers' licenses *A manufacturer's or wholesaler's license* 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. No wholesaler's license shall be granted to any person or partnership unless the person or each member of a partnership applying for such license shall have been a resident or residents of the state for a period of five years continuously immediately prior to such application for a license, and that such persons *person* shall have voted at least twice during said period of five years at a general state election if two general state elections have been had since such person reached his majority. No wholesaler's license shall be granted to any corporation unless all of the officers, directors, and stockholders, who own or control more than 75 percent of the stock by value and 75 percent of the voting rights of the stock, of such corporation applying for a license shall have been residents of the state for a period of five years continuously immediately prior to such application for a license and any and all such persons shall have voted at least twice during said period of five years at a general state election if two general state elections have been had since such person reached his majority. Persons,

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partnerships, or corporations A person, partnership, or corporation lawfully licensed as wholesalers a wholesaler in the state of Minnesota March 27, 1945, shall not be subject to any residence or voting requirements to renew their his wholesaler's license, nor shall their successors his successor or assigns who acquire substantially all of the property of such licensee. Persons now serving in the Armed Forces of the United States of America or A person who have served in the Armed Forces of the United States of America during any time since July 1, 1942, shall be given credit as having voted at any general election held during the time they serve he served in the Armed Forces of the United States of America. All licences for retail "off-sale" shall be granted by the local governing body, subject to the approval of the liquor control commissioner, and shall not become effective until so approved.

Subd. 2. —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 \$50 per annum. A duplicate of such license shall be posted in each car and for each duplicate of such license a fee of \$5 shall be paid. Such license 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.

Subd. 3. Common carrier licenses. —*The liquor control commissioner may license a person certificated by either the state of Minnesota or the United States of America, or an agency thereof, as a common carrier engaged in the business of transporting persons for hire in interstate or intrastate commerce to sell intoxicating liquor, but no such license shall be issued unless such common carrier serves meals or lunches in the place where such intoxicating liquor is to be sold. A person applying for such a license shall pay the liquor control commissioner a fee of \$50 per annum. The expiration date of each license issued shall be determined by the liquor control commissioner. A duplicate of each license shall be posted in each place where intoxicating liquor is sold by such person and shall be obtained from the liquor control commissioner upon the payment of a \$5 fee for each duplicate. A licensee under this provision may*

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serve intoxicating liquor only to a bona fide passenger thereof who is actually being transported in interstate or intrastate commerce.

Subd. 3. 4. Off-sale licenses. "Off-sale" licenses 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.

Subd. 4. 5. On-sale licenses. All "On-sale" licenses shall be granted and the annual license fee therefor shall be fixed in advance at a specified sum for the year by the respective local governing bodies of the various municipalities of the state *authorized to issue licenses*, and such governing bodies shall have the right to *each municipality may revoke licenses a license issued by them if for cause*. The governing body of any A municipality issuing an "on-sale" *licenses* license shall within ten days after such issuance submit to the liquor control commissioner the full name and address of each person granted *such a* license, and other information shall include, *including* 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 municipality* during the license period. No "on-sale" *licenses* license shall be issued contrary to any of the provisions of sections 340.07 to 340.40 *the intoxicating liquor act*.

Subd. 5. 6. On-sale; first and second class cities. Not more than One "on-sale" license shall *may* be issued in any city of the first class for every 1,500 inhabitants; provided, however, that 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 said 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, said city of the first class may continue to issue the number of "on -sale" *licenses* which said city 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.

Subd. 6. "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 and to bona fide clubs of congressionally chartered veterans organizations, which clubs have been in existence for ten years prior to January 1, 1961. All such clubs shall be duly incorporated to be eligible to apply for a license.

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Licenses issued shall be for the sale of intoxicating liquors to members only. The license fee shall be \$100.

Subd. 7. **On-sale; third and fourth class cities; villages and boroughs.** 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 exceeding 4,000, and net 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 any city having a population of more than 18,000 and less than 19,000, located in a county having more than 38,000 and less than 39,000 inhabitants according to the 1950 federal census, and not less than 23 full or fractional congressional townships, the governing body of the city may issue, in addition to the ten "on-sale" liquor licenses herein provided, one "on-sale" liquor license to a hotel, which contains not less than 150 guest rooms and operates a dining room serving meals regularly.

In any city having a population of more than 7,000 and less than 8,000 located in a county having more than 34,000 and less than 35,000 inhabitants according to the 1950 federal census and having not less than 19 full or fractional congressional townships, the governing authority of such city may issue in addition to the five "on-sale" licenses herein provided for, only one "on-sale" license to a hotel which operates a dining room serving meals regularly and which contains not less than 40 guest rooms.

Subd. 8. **Additional on-sale licenses; certain counties.** In counties having an area of more than 5,000 square miles, if the

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liquor control commissioner also approves, the governing body in cities of the third class may grant 15 such "on-sale" licenses and in cities of the fourth class may issue nine such "on-sale" licenses and in villages having a population of more than 2,500, and less than 5,000 six such "on-sale" licenses.

Subd. 9. On-sale licenses; certain airports. *An on-sale license may be issued for the sale of intoxicating liquors in hotels, restaurants, and establishments for the sale of on-sale liquors in major airports operated by public corporations created under Minnesota Statutes, Sections 360.101 to 360.125, which are operated by such public corporations as terminals for regular, scheduled air passenger service where the lands or any part thereof constituting the same have been detached from cities and villages under and pursuant to Minnesota Statutes, Sections 360.126 to 360.132.*

Subd. 10. On-sale licenses; certain counties. *On-sale licenses may be issued for the sale of intoxicating liquors by a county when a county is specifically authorized by law so to do and under such terms and conditions as such specific law may prescribe.*

Subd. 10. 11. On-sale licenses, including hotels, clubs, restaurants, and on-sale exclusive liquor stores. *"On-sale" licenses may be issued by municipalities for the sale of intoxicating liquors in hotels, clubs, restaurants and establishments for the sale of "on-sale" liquors exclusively within the number authorized by this section in cities of the first, second, and third class and villages of over 10,000 inhabitants, in cities of the fourth class where such cities have a population in excess of 3,000 persons and are adjacent to cities of the third class, and in major airports operated by public corporations created under Minnesota Statutes, Sections 360.101 to 360.125, which are operated by such public corporation as terminals for regular, scheduled air passenger service where the lands or any part thereof constituting the same have been detached from cities and villages under and pursuant to Minnesota Statutes, Sections 360.126 to 360.132. 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 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. Except in a city of the first class and in addition to the number of licenses authorized by this section, an "on-sale" license may be issued to a bona fide club which has been in existence for 20*

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years or more or to a congressionally chartered veterans' organization which has been in existence for 10 years prior to January 1, 1961. Such a club or veterans' organization shall be incorporated in order to be eligible to apply for a license, and the license issued shall be for the sale of intoxicating liquors to members only. The license fee for such an "on-sale" license is \$100.

Subd. 11. 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 on the increase in population in said 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 "Off-sale" licenses have been issued in excess of one for every 5,000 inhabitants as determined by the federal census of 1940, said city of the first class may continue to issue the number of "Off-sale" licenses which said city issued for 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 the proprietors of drug stores and exclusive liquor stores. In the event cities of the fourth class, villages, and boroughs, whose population was less than 10,000 inhabitants prior to 1950, increase in population according to the official Federal Census for 1950 beyond 10,000 inhabitants, such municipalities may nevertheless continue to issue "Off-sale" and "On-sale" licenses in combinations authorized prior to such increase in population. In any city, village, or borough of less than 1,000 population "Off-sale" licenses may be issued to "On-sale" licensees.

Subd. 12. On-sale-off-sale and combination on-sale and off-sale licenses. A city of the fourth class, a village of 10,000 inhabitants or less, or a borough may issue an "on-sale" license and an "off-sale" license to the same licensee or, in lieu of issuing an "off-sale" and an "on-sale" license separately to such licensee, may issue a combination "off-sale" and "on-sale" license. Whenever the population of a city of the fourth class, a village, or a borough is reported by a federal census to have increased in population to more than 10,000 inhabitants, such city, village, or borough may continue to issue an "off-sale" license to an "on-sale" licensee or a combination license in lieu of a separate "off-sale" license and a separate

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"on-sale" license in the same manner as it issued the same prior to such increase in population.

Subd. 13. Off-sale licenses; number. "Off-sale" licenses may be granted in accordance with the following:

(1) In cities of the first class not more than one "off-sale" license for each 5,000 inhabitants thereof; such a license may be issued only to the proprietor of a drug store, or a general food store, or an exclusive liquor store.

(2) In all cities other than cities of the first class and in villages and boroughs, the number of "off-sale" licenses to be issued shall be determined by the governing body thereof. In such cities, villages, and boroughs, an "off-sale" license shall be issued only to a proprietor of a drug store or an exclusive liquor store except as otherwise provided in this section.

Subd. 14. License fees. The license fees to be paid before the issuance of licenses shall be as provided in clauses (a), (b), (c), (d).

(a) Except as provided in clauses (b), (c), and (d), any manufacturer shall pay to the state annually a license fee of \$3,000, and a fee of \$2,500 for each duplicate thereof.

(b) Any manufacturer of wines containing not more than 25 percent of alcohol by volume shall pay to the state annually a fee of \$300.

(c) Except as provided in clauses (g), (h), (i), (j), (a), (b), (d), any wholesaler shall pay to the state annually a license fee of \$3,000 and a fee of \$2,500 for each duplicate thereof.

(d) Any wholesaler of wines containing not more than 25 percent of alcohol by volume shall pay to the state annually a fee of \$300.

(e) The maximum license fee for an "off-sale" license in the cities of the first class shall be the sum of which, together with any occupation tax that may be imposed by a municipality issuing said "off-sale" license, will not exceed the sum of \$1,000 annually; 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; in all cities and villages with a population between 5,000 and 10,000 the maximum license fee shall be \$150; in all cities, villages and boroughs of 5,000 population or less, the maximum license fee shall be \$100. All such license fees for "off-sale" licenses shall be payable to the municipalities issuing the license.

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Where such licenses shall be issued for less than one year, a fee may be a pro rata share of the annual license fee.

Subd. 13. 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 Laws 1939, Chapter 154, shall be entitled to a new "On-sale" license, notwithstanding the provisions herein contained.

Subd. 16. No municipality shall engage in the sale of intoxicating liquors to the exclusion of private interests without first purchasing the stock, equipment and other tangible personal property of such private liquor establishments and reimbursing the private owner or owners for the property thereby divested or rendered unproductive therein by the act of such municipality in the creation of said municipal liquor store; provided, that this subdivision shall not alter the act of any municipality in the past nor shall the same be retroactive as to property rights heretofore divested or rendered unproductive by any act of any municipality in the creation of a municipal liquor store prior to April 19, 1945. In the event that no agreement can be reached between said interested parties as to the value of the stock, equipment, and tangible personal property affected by said act of such municipality or other governing body, then, and in that event, the same shall be submitted to arbitration in accordance with the provisions of Minnesota Statutes 1941, Chapter 572.

Subd. 18. In any city of the third class, adjacent to a city of the first class in a different county, operating under a home rule charter and having a population exceeding 15,500 and less than 16,000 according to the 1950 federal census there may be issued in addition to the ten "On-Sale" licenses authorized by law, only one "On Sale" license to a hotel or motor hotel which operates a dining room serving meals regularly and which contains not less than sixty sleeping rooms; provided that in the event any such third class city becomes a second class city after the 1960 federal census the governing body of such second class city shall issue such a hotel or motor hotel license as one of the regular "On-Sale" licenses.

Subd. 19. No public corporation referred to in section 340.07, subdivision 3, shall itself engage in the sale or in the business of selling intoxicating liquors either "on-sale" or "off-sale" at any major airport being operated by it. Its power as to the sale of intoxicating liquors at such airports shall be limited to the issuance of licenses to others for "on-sale" of intoxicating liquors at such airports.

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Subd. 15. Licenses not required. It is lawful for a brewer to sell intoxicating malt beverages to his employee or to a former employee who is retired because of age or physical disability. Such beverages shall be sold for consumption off the premises only, and the amount sold to any one person in any one week shall not exceed 768 fluid ounces. The requirements of law relating to minimum prices for the sale of intoxicating malt beverages shall not apply to sales made under this subdivision, nor shall any license be required for the making of such sales.

Subd. 16. Expiration date. All intoxicating liquor licenses issued by a municipality, except manufacturers' and wholesalers' licenses, shall expire on the same date.

Subd. 20. 17. Municipal restrictions. Any local authority shall have power to impose further restrictions and regulations upon the sale and possession of intoxicating liquor within its limits.

Sec. 6. Minnesota Statutes 1965, Section 340.112, is amended to read:

340.112 License fee; refundment. In case during the term of any "off-sale" or "on-sale" non-intoxicating malt, or intoxicating, liquor license, the place of business of any licensee shall be destroyed or so damaged by fire, or otherwise, that the licensee shall cease to carry on the licensed business, or in case the business of the licensee shall cease by reason of his illness or death or if it shall become unlawful for the licensee to carry on the licensed business under his license, except when such license is revoked, the licensing authority may upon the happening of any such event refund to the licensee or to his estate such part of the license fee paid by him as corresponds to the time such license had yet to run. In case of the death of any licensee of any "off-sale" or "on-sale" non-intoxicating malt or intoxicating liquor, his personal representative is hereby authorized to continue operation of said business for not more than 90 days after the death of such licensee. This section shall apply to licenses issued after January 1, 1944.

Sec. 7. Minnesota Statutes 1965, Section 340.115, is amended to read:

340.115 Intoxicating malt beverages made outside state; shipment into state. All intoxicating malt beverages, regardless of alcoholie contents, manufactured outside the state of Minnesota, may be shipped into this state for sale only to licensed Minnesota wholesalers and shall be unloaded into such wholesaler's warehouse in Minnesota and said licensed wholesaler shall distribute said in-

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toxicating malt beverages from such warehouse. Provided that the requirements of this section as to warehousing shall not apply to a wholesaler located in any adjoining state which permits Minnesota wholesale licensees to deliver *intoxicating* malt beverages to retailers without warehousing in that state.

Sec. 8. Minnesota Statutes 1965, Section 340.13, is amended to read:

340.13 Licenses; restrictions. Subdivision 1. **Manufacturers' or wholesalers' interest in retail establishment.** The authority issuing any license under the provisions of sections 340.07 to 340.96 may revoke the license for violation of any provision of any statute or ordinance relating to the sale of intoxicating liquors, or, may suspend the license if revocation is not mandatory. The licensee shall be granted a hearing upon at least ten days notice before revocation or suspension is ordered by such governing body in all cases where mandatory revocation is not provided by law. "Off-sale" licenses may be revoked or suspended by the governing body of the municipality as above provided or by the liquor control commissioner after hearing. No suspension shall exceed 60 days. 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 a 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.

Subd. 2. Licenses in drug stores. No license shall be granted to any person who opens *operates* a new drug store after January 6, 1934, 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 or more. All licenses issued for any one municipality, except manufacturer's and wholesaler's licenses, shall expire at the same time.

Subd. 2. 3. Limitations on a license issued to a person or place; penalty. No more than one retailer's *intoxicating liquor* license shall be directly or indirectly issued to any one person or for any one place in each municipality. It is a gross misdemeanor for any person, partnership, or corporation to knowingly have or possess a direct or indirect interest in more than one retail license in each municipality and upon conviction therefor the governing body of such municipality may immediately revoke all licenses in which such

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person, partnership or corporation has an interest. The term "interest" includes any pecuniary interest in the ownership, operation, management, or profits of a retail liquor establishment, but does not include: bona fide loans; bona fide rental agreements; bona fide open accounts or other obligations held with or without security arising out of the ordinary and regular course of business of selling or leasing merchandise, fixtures or supplies to such establishment; an interest in a corporation owning or operating a hotel as defined in section 340.07 but having at least 250 or more rental units holding a liquor license in conjunction therewith; or 10 percent or less interest in any other corporation holding a license. A person who receives monies from time to time directly or indirectly from a licensee, in the absence of a bona fide consideration therefor and excluding bona fide gifts or donations, shall be deemed to have a pecuniary interest in such retail license. In determining "bona fides" the reasonable value of the goods or things received as consideration for any payment by the licensee and all other facts reasonably tending to prove or disprove the existence of any purposeful scheme or arrangement to evade the prohibitions of this subdivision shall be considered.

Subd. 3. 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.

Subd. 4. Licenses prohibited in municipalities having municipal stores and limited to retailers. Except in the case of bona fide clubs and veterans' organizations, as authorized by the last paragraph of section 5, subdivision 11, no "on-sale" or "off-sale" license shall be directly or indirectly issued in any city, village, or borough maintaining its own exclusive liquor store, nor shall such license be issued to a person who holds a manufacturer's or wholesaler's license issued pursuant to any provision of Minnesota Statutes, Chapter 340.

Subd. 5. Licenses limited to certain areas. 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 any city of the first, second, or third class, or in any village of over 10,000 inhabitants 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.

Subd. 6. Licenses prohibited in certain areas. No license

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shall be issued for premises located within the 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 sections 340.72 to 340.90 *the intoxicating liquor act.*

Subd. 7. Licenses in connection with premises of another. 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 sections 340.07 to 340.40 *the intoxicating liquor act except as otherwise provided therein;* 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 sections 340.07 to 340.40 *the intoxicating liquor act.* No more than one license shall be issued to any person in any municipality except as otherwise specifically provided in sections 340.07 to 340.40 *for in the intoxicating liquor act.* No "off-sale" license shall be issued for any place where nonintoxicating 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.

Subd. 8. Off-sale licenses where non-intoxicating malt beverages are sold. *no "off-sale" license shall be issued for any place where non-intoxicating malt beverages shall be sold for consumption on the premises. This subdivision shall not apply to those places where an "on-sale" and "off-sale" license or combination "off-sale" and "on-sale" licenses are specifically authorized by the intoxicating liquor act.*

Subd. 4: 9. Licenses transferable. A license shall be non-transferable without the consent of the authority issuing it. and

Subd. 10. License posting. A license shall be posted in a conspicuous place in the premises for which it is issued.

Subd. 11. Federal permits as a condition to license. No license shall be effective until a permit shall be issued to the licensee

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under the laws of the United States, if such a permit be required under such laws.

Subd. 12. Licenses; persons eligible. 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 within five years prior to the application of such license has been 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 sections 340.07 to 340.40 *the intoxicating liquor act* shall be revoked for any wilful violation of any such laws or ordinances.

Subd. 5. 13. Licenses; legislative policy. 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. 9. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.135] Licenses; revocation; suspension. *The authority issuing any license under the intoxicating liquor act may revoke the license for violation of any statute or ordinance relating to the sale of intoxicating liquor, or may suspend the license if revocation is not mandatory. The licensee shall be granted a hearing upon at least 10 days notice before revocation or suspension is ordered by such governing body where mandatory revocation is not provided by law. "Off-sale" licenses may be revoked or suspended by the governing body of the municipality as above provided or by the liquor control commissioner after hearing. No suspension shall exceed 60 days.*

Sec. 10. Minnesota Statutes 1965, Section 340.14, is amended to read:

340.14 Regulations. Subdivision 1. **Hours and days of sale.** No sale of intoxicating liquor shall be made after one a.m. on Sunday, *nor until eight a.m. on Monday*, nor between the hours of one a.m. and three o'clock p.m. on any Memorial Day, nor between the hours of one a.m. and eight o'clock p.m. on any Election Day in the district in which such election shall be held except that the governing body of any municipality may allow such sale in such municipality during such hours while only a town election is being held in such municipality. No "on-sale" shall be made between the

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hours of one a.m. and eight o'clock a.m. on any weekday. No "off-sale" shall be made before eight o'clock a.m. or after ten o'clock p.m. of any day. However, in cities of the first class and in all cities, villages, and boroughs located within a radius of 15 miles of cities of the first class, "off-sale" may be made only until eight o'clock p.m. of any day except Saturday, on which day "off-sale" may be made until ten o'clock p.m. No "off-sale" shall be made on New Years day, January 1; Memorial Day, May 30; Independence Day, July 4; Thanksgiving Day; or Christmas Day, December 25; but on the evenings preceding such days, if the sale of liquor is not otherwise prohibited on such evenings, "off-sales" may be made until ten o'clock p.m., except that no "off-sale" shall be made on December 24 after eight o'clock p.m. It shall be beyond the power of any municipality of this state to authorize or permit the sale of intoxicating liquors when such sale is prohibited by this section, however, any municipality may further limit the hours of sale of intoxicating liquors, provided that such further restricted hours for "on-sale" shall apply to both intoxicating liquors and non-intoxicating malt liquors. No "on-sale" place of business shall be permitted to have swinging doors or opaque windows. All sales shall be made in full view of the public. No intoxicating liquor shall be sold, furnished, or delivered for any purpose to any person under the age of 21 years or to a habitual drunkard or to any person obviously intoxicated or to any of the persons to whom sale is prohibited by statute or by reason of sale to whom a penalty is provided by statute; nor shall any person under 21 years of age receive delivery of such liquor.

Subd. 2. No intoxicating liquors shall be sold within the capitol or upon the grounds thereof, or upon the state fair grounds, or in any place where such sales shall be prohibited by law or by the ordinance of any city, village, or borough. Every licensee shall be responsible for the conduct of his place of business and for conditions of sobriety and order therein. No licensee shall keep, possess, or operate, or permit the keeping, possession, or operation of, on the licensed premises, or in any room adjoining the licensed premises, any slot machine, dice, or any gambling device or apparatus, nor permit any gambling therein, nor permit the licensed premises or any room in the same or in any adjoining building, directly or indirectly under its control, to be used as a resort for prostitutes or other disorderly persons. No person under 21 years of age shall be employed in any rooms constituting the place in which intoxicating liquors are sold at retail "on-sale." No pool table or billiard table shall be kept or used in any "on-sale" premises except a club.

The retail sale for beverage purposes of ethyl alcohol or neu-

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tral spirits, or substitutes therefor, possessing the taste, aroma, and characteristics generally attributed to ethyl alcohol or neutral spirits, as such, is hereby prohibited. Nothing in this paragraph shall be construed to prohibit the manufacture or sale of other products obtained by the use of ethyl alcohol or neutral spirits as defined in U. S. Treasury Department, Bureau of Internal Revenue, Regulations 125, Article H, Standards of Identity for Distilled Spirits.

Subd. 3. (a) No person shall consume or display, or allow consumption or display of intoxicating liquor on any premises of a private club or public place between the hours of 1 a.m. and 8 a.m.; or between the hours of 1 a.m. and 3 p.m. on Memorial Day; or between the hours of 1 a.m. and 8 p.m. on any primary, special, or general election day held in the district in which the private club or public place is located.

(b) Any private club, as defined in Minnesota Statutes, Section 340.07, Subdivision 7, or any unincorporated society which shall have more than 50 members and which shall have, for more than a year owned, hired or leased space in a building of such extent and character as may be suitable and adequate for reasonable and comfortable accommodations for its members, may allow members to bring and keep a personal supply of intoxicating liquors in lockers assigned to such members. Every bottle, container, or other receptacle containing intoxicating liquor stored by members shall have attached to it a label signed by the member of the club. All liquor on the premises of the club shall be labeled as herein required, and any not being actually used or consumed by the owner thereof shall be kept in a locker designated to the use of such member. It shall be unlawful for any club member under 21 years of age to be assigned a locker for storage of intoxicating liquor, or to consume or display or be permitted to consume or display intoxicating liquor on any premises owned or controlled by such private club.

(c) It shall be unlawful for any private club or public place, directly or indirectly, or upon any pretense or by any device to allow the consumption or display of intoxicating liquor, or the serving of any liquid for the purpose of mixing with intoxicating liquor without having first obtained a permit therefor. Such permit shall be issued by the liquor control commissioner for a period of one year to expire on July 1, next following issuance of such license, upon the payment of \$100 and must be renewed annually on July 1. Application for such permit shall be made to the liquor control commissioner.

There is hereby conferred upon the governing body of each county, city, village, and borough, in the state the authority to im-

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pose; in addition to the fee provided by this subdivision, an additional fee not exceeding \$300 per year. Such additional fee shall be payable to the county, city, village, or borough imposing the fee.

(d) Any private club or public place allowing the consumption or display of intoxicating liquor shall be open for inspection at all times by the liquor control commissioner and his designated agents and other duly authorized peace officers. Refusal to permit the liquor control commissioner and his designated agents or other duly authorized peace officers to enter and inspect the premises shall be a violation.

(e) No permit provided by this subdivision shall be issued to any private club or public place when the owner, member of the board, management, executive committee or other similar body chosen by the members, shall have been issued, or hereafter be issued, a federal retail liquor dealers special tax stamp for the sale of intoxicating liquors.

(f) Any violation of this subdivision is a misdemeanor, and any violation of clause (b) of this subdivision may be grounds for revocation of said permit.

(g) This subdivision does not apply to any person or premises otherwise licensed for the sale of intoxicating liquor.

(h) Intoxicating liquors sold, served, or displayed in the presence of anyone authorized to inspect the premises, as provided in this subdivision, in violation of this subdivision shall be subject to seizure for purposes of evidence and, contingent upon determination by a court, shall be disposed of as provided in Minnesota Statutes, Section 340.63.

Subd. 2. Liquor sales in public view. No "on-sale" place of business shall be permitted to have swinging doors or opaque windows. All sales shall be made in full view of the public. Every licensee shall be responsible for the conduct of his place of business and for conditions of sobriety and order therein. No licensee shall keep, possess, or operate, or permit the keeping, possession, or operation of, on the licensed premises, or in any room adjoining the licensed premises, any slot machine, dice, or any gambling device or apparatus, nor permit any gambling therein, nor permit the licensed premises or any room in the same, or in any adjoining building, directly or indirectly under its control to be used as a resort for prostitutes or other disorderly persons. No person under 21 years of age shall be employed in any rooms constituting the place in which intoxicating liquors are sold at retail "on-sale." No

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pool table or billiard table shall be kept or used in any "on-sale" premises except a club.

Subd. 3. Sales; where forbidden. No intoxicating liquors shall be sold in any of the following places:

(1) *Within the capitol or upon the grounds thereof;*

(2) *Upon the state fair grounds or within one half mile thereof. While the state fair is being held, any person who sells any liquor or maintains a drinking place within one mile of the state fair grounds, or aids or abets another in either of such acts, is guilty of a gross misdemeanor, and shall be punished for the first offense by a fine of not less than \$100 nor more than \$250 or by imprisonment for not less than 30 nor more than 90 days or by both; for each subsequent offense by a fine of not less than \$500 nor more than \$1000 or by imprisonment for not less than 3 nor more than 6 months or by both;*

(3) *Within one mile of the school of agriculture of the University of Minnesota located in Section 21, town 29, range 23 west of Ramsey county. Any person who shall sell intoxicating liquor or maintains a drinking place within one mile of the school of agriculture of the University of Minnesota, or who aids and abets another in either of such acts is guilty of a gross misdemeanor; and shall be punished for the first offense by a fine of not more than \$100 or by imprisonment for not less than 60 nor more than 90 days; for each subsequent offense by a fine of not less than \$500 nor more than \$1000 or by imprisonment in the county jail for not less than six months nor more than one year or both;*

(4) *Within 1000 feet of any state hospital, training school, reformatory, prison, or other institution under the supervision and control, in whole or in part, of the commissioner of public welfare or the commissioner of corrections. Whoever sells or otherwise disposes of intoxicating liquor at retail at a place prohibited by this clause is guilty of a gross misdemeanor.*

(5) *In any town or municipality in which a majority of votes at the last election at which the question of license was voted upon shall not have been in favor of license, or within one half mile of any such municipality, except that any intoxicating liquor, manufactured within any such district, may be sold to be consumed outside of such district;*

(6) *At any place on the east side of the Mississippi river within one mile of the main building of the University of Minne-*

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sota; and within one mile of the Kirby student center building of the University of Minnesota, Duluth Branch;

(7) *Within 1,500 feet of any state college, except as herein-after provided, or, when the place of sale is not within a municipality, within 1,500 feet of any public school outside of a municipality; as to the Valley Campus of the Mankato state college in the city of Mankato when the place of sale is within 1,000 feet from the middle of the entrance into the main building which entrance is located on the easterly side of South 5th Street at a point where said street is intersected by East Jackson Street in the city of Mankato, or between the Valley campus and Highland campus or within 1,500 feet of the Highland campus;*

(8) *At more than five places on any one side of a block within and fronting upon the patrol limits of cities of the first class;*

(9) *The restrictions imposed by this subdivision shall not apply to any manufacturer or wholesaler of intoxicating liquors or to a drug store or to any person lawfully licensed to sell intoxicating liquor immediately prior to the enactment of this subdivision.*

Subd. 4. Certain sales forbidden. *The retail sale for beverage purposes of ethyl alcohol or neutral spirits, or substitutes therefor, possessing the taste, aroma, and characteristics generally attributed to ethyl alcohol or neutral spirits, as such, is hereby prohibited. Nothing in this paragraph shall be construed to prohibit the manufacture or sale of other products obtained by the use of ethyl alcohol or neutral spirits as defined in U.S. Treasury Department, Bureau of Internal Revenue, Regulations 125, Article II, Standards of Identity for Distilled Spirits.*

Sec. 11. Minnesota Statutes 1965, Section 340.353, is amended to read:

340.353 Municipal liquor stores; establishment; operation.
Subdivision 1. Establishment. *In any city, village, or borough having a population of not more than 10,000, according to the most recent federal decennial census, the governing body may establish, own, and operate liquor stores for the dispensing of intoxicating liquor either "on-sale" or "off-sale" or both. Such liquor stores may also sell cigars, cigarettes, ice, all forms of tobacco, non-intoxicating malt beverages, and soft drinks at retail. The authority conferred by this subdivision is limited to the type of municipality named herein.*

Subd. 2. Population change. Any municipality in which an authorized liquor store has been established may continue to operate such municipal liquor store notwithstanding any subsequent

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change in population; provided, that within one year after the effective date of the census by which such municipality exceeds 10,000 in population, the question, "Shall the city (village) continue to operate its municipal liquor store rather than issue private liquor licenses?" is submitted to the voters of the city or village at a general or special municipal election and a majority of the voters voting upon the question at the election vote in the affirmative upon the question. The notice of the election shall show that the question, "Shall the city (village) continue to operate its municipal liquor store rather than issue private liquor licenses?" is to be submitted to the electors at the election.

Subd. 3. Scope and application. A city, village, or borough which lawfully established a liquor store prior to the effective date of the intoxicating liquor act may continue to own and operate such a liquor store.

Subd. 4. Newly formed municipalities; municipal liquor stores; liquor licenses. No village shall establish or operate a municipal "on-sale" or "off-sale" liquor store nor issue an "on-sale" or "off-sale" liquor license until two years have expired from and after its incorporation. This provision shall not apply to a newly incorporated village which had formerly been a town or is made up of a major geographic portion of what had formerly been a town, which town had the powers of a village under Minnesota Statutes 1965, Section 368.01. Such a village may, upon its incorporation, authorize the establishment of municipal "on-sale" or "off-sale" liquor stores or the issuance of "on-sale" or "off-sale" liquor licenses. This subdivision is applicable to a village incorporated after January 1, 1966.

Sec. 12. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.119] Bottle clubs. Subdivision 1. For the purposes of this section, a bottle club is a "club," as defined in section 1, subdivision 15, or an unincorporated society which, except for its lack of incorporation, otherwise meets the requirements of a club, as defined in such section and subdivision, and which is not licensed for the sale of intoxicating liquor, either "on-sale" or "off-sale," or both.

Subd. 2. A bottle club may allow members to bring and keep a personal supply of intoxicating liquors in lockers assigned to such members. A bottle club or any unincorporated society which shall have more than 50 members and which shall have, for more than a year, owned, hired, or leased space in a building of such extent and character as may be suitable and adequate for reasonable and com-

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fortable accommodations for its members, may allow members to bring and keep a personal supply of intoxicating liquors in lockers assigned to such members. Every bottle, container, or other receptacle containing intoxicating liquor stored by members shall have attached to it a label signed by the member of the club. All liquor on the premises of the club shall be labeled as herein required, and any not being actually used or consumed by the owner thereof shall be kept in a locker designated to the use of such member. It shall be unlawful for any club member under 21 years of age to be assigned a locker for the storage of intoxicating liquor, or to consume or display or be permitted to consume or display intoxicating liquor on any premises owned or controlled by such private club.

Subd. 3. It is unlawful for any bottle club or for any business establishment, directly or indirectly, or upon any pretense or by any device, to allow the consumption or display of intoxicating liquor or the serving of any liquid for the purpose of mixing of intoxicating liquor without having first obtained a permit therefor. Such permit shall be issued by the liquor control commissioner for a period of one year to expire on July 1, next following issuance of such license, upon the payment of \$100 and must be renewed annually on July 1. Application for such permit shall be made to the liquor control commissioner. There is hereby conferred upon the governing body of each county, city, village, and borough, in the state the authority to impose, in addition to the fee provided by this subdivision, an additional fee not exceeding \$300 per year. Such additional fee shall be payable to the county, city, village, or borough imposing the fee.

Subd. 4. No person shall consume or display, or allow consumption or display of intoxicating liquor on any premises of a bottle club or a business establishment between the hours of one a.m. and eight a.m.; or between the hours of one a.m. and three p.m. on Memorial Day; or between the hours of one a.m. and eight p.m. on any primary, special, or general election day held in the district in which the bottle club or business establishment is located.

Subd. 5. Any bottle club or business establishment allowing the consumption or display of intoxicating liquor shall be open for inspection at all times by the liquor control commissioner and his designated agents and other duly authorized peace officers. Refusal to permit the liquor control commissioner and his designated agents or other duly authorized peace officers to enter and inspect the premises shall be a violation.

Subd. 6. No permit required by this section shall be issued to any bottle club when a member of the board, management, ex-

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ecutive committee, or other similar body chosen by its members or when the business establishment or the owner thereof holds a federal retail liquor dealer's special tax stamp for the sale of intoxicating liquors.

Subd. 7. This section has no application to any person or any premises licensed for the sale of intoxicating liquor under the intoxicating liquor act, but any such person or premises, being a business establishment, is eligible for a permit authorized by this section.

Subd. 8. A violation of this section is a misdemeanor, and any violation of subdivision 2 is grounds for the revocation of such permit.

Subd. 9. Intoxicating liquors sold, served, or displayed in the presence of anyone authorized to inspect the premises, as provided in this section, in violation of this subdivision, shall be subject to seizure for purposes of evidence and, contingent upon determination by a court, shall be disposed of as provided in Minnesota Statutes, Section 340.63.

Sec. 13. *The following provisions of Minnesota Statutes 1965 are hereby made a part of the intoxicating liquor act by reference: Sections 340.113, 340.115, 340.12, 340.141, 340.142, 340.143, 340.20, 340.21, 340.323, 340.355, 340.356, 340.357, 340.358, 340.401, 340.402, 340.403, 340.404, 340.405, 340.406, 340.407, 340.493, and 340.51. In the next edition of Minnesota Statutes the revisor of statutes shall renumber and rearrange such sections so that they comprise a part of such act.*

Sec. 14. *The following provisions of Minnesota Statutes 1965 are hereby made a part of the intoxicating liquor act by reference: Sections 340.17, 340.18, 340.19, 340.33, 340.38, and 340.39. In the next edition of Minnesota Statutes the revisor of statutes shall renumber and rearrange such sections so that they comprise a part of such act. In so doing, however, the revisor of statutes shall also change all references therein reading "sections 340.07 to 340.40" to "intoxicating liquor act".*

Sec. 15. Minnesota Statutes 1965, Section 340.15, is amended to read:

340.15 Regulation of advertising. The liquor control commissioner shall assist the state department of education to prepare a course of instruction relating to the effects of alcohol upon the human system, upon character and upon society. Such course of instruction shall be used in all public schools of the state. The un-

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restricted advertising of intoxicating liquor is hereby declared to be contrary to public policy. Reasonable rules and regulations restricting advertising to prevent it from counteracting temperance education shall be made by the liquor control commissioner.

Sec. 16. *In compiling the next edition of Minnesota Statutes, whenever the reference "sections 340.07 to 340.40" appears in any section of Minnesota Statutes 1965, Chapter 340, the revisor of statutes is directed to change such reference to "intoxicating liquor act".*

Sec. 17. *None of the provisions contained in sections 1 to 20 shall be deemed to in any way abrogate any right or privilege of any municipality, or of any person, which existed immediately prior to the effective date of this act until July 1, 1969. It is contemplated by the provisions of this section that, in the event any such right or privilege has been inadvertently abrogated or repealed, the 1969 regular session of the legislature will provide a means of correcting the inadvertence.*

Sec. 18. [340.069] **Citation.** Sections 1 to 20 may be cited as the "intoxicating liquor act", and is a part of Minnesota Statutes 1965, Chapter 340.

Sec. 19. **Repealer.** Minnesota Statutes 1965, Sections 340.111, 340.116, 340.117, 340.118, 340.161, 340.36, 340.37, 340.40, 340.411, 340.412, 340.413, 340.72, 340.75, and 624.702 are hereby repealed.

Sec. 20. **Effective date.** This act is in effect on and after July 1, 1967.

Approved February 24, 1967.

CHAPTER 20—S. F. No. 338

[Coded in Part]

An act regulating non-intoxicating malt liquor and providing penalties for the violation of the provisions thereof; amending Minnesota Statutes 1965, Chapter 340 by adding sections thereto; Minnesota Statutes 1965, Sections 340.01; 340.02; and repealing Minnesota Statutes 1965, Sections 340.013; 340.021; 340.022; 340.023; 340.025; 340.026; 340.03; 340.04; 340.05; and 340.06.

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