

(g) To organize the department and employ personnel he deems necessary to discharge the functions of the department, including a chief executive officer for each facility under his control who shall serve in the unclassified civil service and may, under the provisions of section 43.24 43A.33, be removed only for cause, and two internal affairs officers for security who shall be in the unclassified civil service.

(h) To define the duties of these employees and to delegate to them any of his powers, duties and responsibilities, subject to his control and the conditions he prescribes.

(i) To annually develop a comprehensive set of goals and objectives designed to clearly establish the priorities of the department of corrections. This report shall be submitted to the governor and the state legislature commencing January 1, 1976. The commissioner shall have the power to establish ad hoc advisory committees.

Sec. 2. Minnesota Statutes 1980, Section 641.09, is amended to read:

**641.09 POWER OF OFFICERS.**

The officer in charge of prisoners so sentenced to labor may use all reasonable means necessary to prevent escape or enforce obedience. For refusal to labor or obey necessary orders in reference thereto, a prisoner may be kept in solitary confinement but shall not be so confined more than ten days for any one offense, nor more than 90 days in all. Such punishment shall not be treated as any part of the sentence.

Sec. 3. Minnesota Statutes 1980, Section 643.29, Subdivision 1, is amended to read:

Subdivision 1. **"GOOD CONDUCT" ALLOWANCE.** Any person sentenced for a term to any county jail, workhouse, or correctional work farm may shall diminish the term of the sentence five days for each month, commencing on the day of arrival, during which the person has not violated any rule or discipline of the place wherein the person is incarcerated and, if required to labor, has labored with diligence and fidelity.

Approved March 22, 1982

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**CHAPTER 528 — S.F.No. 358**

*An act relating to intoxicating liquor; requiring proof of financial responsibility; making certain sales of non-intoxicating malt liquor illegal; providing civil liability for illegal sales of intoxicating liquor and non-intoxicating malt liquor; amending Minnesota Statutes 1980, Sections 340.035, Subdivision 1; 340.11, by adding a subdivision; 340.12; and 340.353, by adding a subdivision; 340.73, Subdivisions 1 and 3; 340.95; and 340.951.*

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

Section 1. Minnesota Statutes 1980, Section 340.035, Subdivision 1, is amended to read:

Subdivision 1. It ~~shall be~~ is unlawful for any:

(1) Licensee or his employee to ~~sell or serve non-intoxicating malt liquor to any person under the age of 19 years or to permit any person under the age of 19 years to consume non-intoxicating malt liquor on the licensed premises except as provided in paragraph (5) of this subdivision;~~

(2) Person other than the parent or legal guardian to procure non-intoxicating malt liquor for any person under the age of 19 years;

(3) Person to induce a person under the age of 19 years to purchase or procure non-intoxicating malt liquor;

(4) Person under the age of 19 years to misrepresent his age for the purpose of obtaining non-intoxicating malt liquor;

(5) Person under the age of 19 years to consume any non-intoxicating malt liquor unless in the company of his parent or guardian;

(6) Person under the age of 19 years to ~~have in his possession possess~~ any non-intoxicating malt liquor, with intent to consume ~~same~~ it at a place other than the household of his parent or guardian. ~~Possession of such non-intoxicating malt liquor at a place other than the household of his parent or guardian shall be prima facie evidence of intent to consume the same at a place other than the household of his parent or guardian.~~

Sec. 2. Minnesota Statutes 1980, Section 340.11, is amended by adding a subdivision to read:

Subd. 21. LIABILITY INSURANCE. Every person licensed to sell at retail intoxicating liquor or non-intoxicating malt liquor at on-sale or off-sale shall, after March 1, 1983, demonstrate proof of financial responsibility with regard to liability imposed by section 340.95, to the commissioner of public safety as a condition of the issuance or renewal of his license, provided this subdivision does not apply to non-intoxicating malt liquor licensees with sales of less than \$10,000 of non-intoxicating malt liquor per year, nor to holders of on-sale wine licenses under section 340.11, subdivision 20, with sales of less than \$10,000 of wine per year. Proof of financial responsibility may be given by filing:

(a) A certificate that there is in effect an insurance policy or pool providing the following minimum coverages;

(1) \$50,000 because of bodily injury to any one person in any one occurrence, and, subject to the limit for one person, in the amount of \$100,000 because of bodily injury to two or more persons in any one occurrence, and in the

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amount of \$10,000 because of injury to or destruction of property of others in any one occurrence.

(2) \$50,000 for loss of means of support of any one person in any one occurrence, and, subject to the limit for one person, \$100,000 for loss of means of support of two or more persons in any one occurrence; or

(b) A bond of a surety company with minimum coverages as provided in clause (a), or

(c) A certificate of the state treasurer that the licensee has deposited with him \$100,000 in cash or securities which may legally be purchased by savings banks or for trust funds having a market value of \$100,000.

This subdivision does not prohibit a local governing unit from requiring higher insurance or bond coverages, or a larger deposit of cash or securities than is required hereunder, as a condition of issuance or renewal of a retail intoxicating liquor or non-intoxicating malt liquor on-sale or off-sale license.

The commissioner of insurance shall advise licensees and municipalities subject to the financial responsibility requirements of this subdivision of those persons offering insurance coverage. The commissioner of insurance may, if necessary, establish an assigned risk pool by rule adopted under the administrative procedure act, sections 15.041 to 15.052.

Sec. 3. Minnesota Statutes 1980, Section 340.12, is amended to read:

**340.12 APPLICATION FOR LICENSE.** Every person desiring a license from the commissioner of public safety, 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 commissioner of public safety a bond with corporate surety, to be approved by the commissioner of public safety, before granting such the 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 commissioner of public safety a bond with corporate surety to be approved by the commissioner of public safety before granting such the license, or, ~~in lieu thereof,~~ cash or United States government bonds in the sum of \$1,000. All manufacturers and wholesalers of wines containing not more than 25 percent of alcohol by weight and manufacturers and wholesalers of beer containing more than 3.2 percent of alcohol by weight, shall file with the commissioner of public safety, a bond with corporate surety to be approved by the commissioner of public safety before granting such the license, or, ~~in lieu thereof,~~ cash or United States government bonds in the sum of \$5,000.

Every person desiring a license from a local governing body shall file with the clerk of the municipality, or in the case of a public corporation organized and

existing under sections 473.601 to 473.679, with the executive director thereof, a verified written application in the form to be prescribed by the commissioner, with such the additional information as the local governing body shall ~~require~~ requires. 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 and not more than \$3,000 as the local governing body of such municipality shall ~~determine, which determines~~. The bond or policy shall be approved by such the local governing body and the commissioner of public safety.

An applicant for an "on sale" license shall file with the clerk of the proper municipality, or in the case of a public corporation organized and existing under sections 473.601 to 473.679, with the executive director thereof, 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, nor more than \$5,000, as the local governing body of such municipality shall ~~determine, which determines~~. The bond shall be approved by such the local governing body.

In any municipality, when the local governing body thereof shall so provide, a liability insurance policy shall 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 section 340.95. Such A liability insurance policy required by section 2 shall further provide that no cancellation of the same it may not be canceled 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 it, addressed to the city clerk of the municipality, or in the case of a public corporation organized and existing under sections 473.601 to 473.679, to the executive director thereof. The operation of such an "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 paragraphs (a), (b), (c), and (d) hereinafter.

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

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to the municipality in which the license is issued. ~~All such~~ The bonds shall be conditioned as follows:

As to manufacturers, wholesalers and common carriers:

(a) That the licensee will obey the law relating to ~~such~~ the 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~~ the 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~~ the 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~~ the bond or policy shall be forfeited to the municipality in which ~~such~~ the 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 paragraph 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~~ the licensed business was carried on may forfeit the penal sum of ~~said~~ the bond or policy, or any part thereof, to the state or municipality named as obligee in ~~such~~ the bond or policy.

Sec. 4. Minnesota Statutes 1980, Section 340.353, is amended by adding a subdivision to read:

Subd. 8. FINANCIAL RESPONSIBILITY. Every municipal liquor store operated pursuant to subdivision 1 shall, prior to commencement or continuation of operation after March 1, 1983, demonstrate proof of financial responsibility by compliance with the requirements of section 2.

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Sec. 5. Minnesota Statutes 1980, Section 340.73, Subdivision 1, is amended to read:

Subdivision 1. It ~~shall be~~ is unlawful for any person, except a licensed pharmacist to sell, give, barter, furnish, deliver, or dispose of, in any manner, either directly or indirectly, any ~~spirituous, vinous, malt, or fermented~~ intoxicating liquors or non-intoxicating malt liquors in any quantity, for any purpose, ~~whatever,~~ to any person under the age of 19 years, or to any obviously intoxicated person, ~~or to any public prostitute.~~

Sec. 6. Minnesota Statutes 1980, Section 340.73, Subdivision 3, is amended to read:

Subd. 3. Whoever ~~shall in any way procure~~ procures intoxicating liquor or non-intoxicating malt liquor for the use of any person named in this section shall be deemed to have sold it to ~~such that~~ that person. Any person violating any of the provisions of this section is guilty of a gross misdemeanor.

Sec. 7. Minnesota Statutes 1980, Section 340.95, is amended to read:

#### **340.95 INJURIES CAUSED BY INTOXICATION, CIVIL ACTIONS.**

Every husband, wife, child, parent, guardian, employer, or other person who is injured in person or property, or means of support, or incurs other pecuniary loss by any intoxicated person, or by the intoxication of any person, has a right of action, in his own name, against any person who, by illegally selling or bartering intoxicating liquors or non-intoxicating malt liquors, caused the intoxication of ~~such that~~ that person, for all damages, sustained; ~~and.~~ All damages recovered by a minor under this section shall be paid either to ~~such the~~ the minor or to his parent, guardian, or next friend, as the court directs; ~~and.~~ All suits for damages under this section shall be by civil action in any court of this state having jurisdiction ~~thereof~~. Actions for damages based upon liability imposed by this section shall be governed by section 604.01. The provisions of section 604.01, as applied under this section, ~~however shall do not be applicable~~ apply to actions for injury to person, property, or loss of means of support brought by a husband, wife, child, parent, guardian or other dependent of an intoxicated person. ~~No recovery shall be had in any action or actions pursuant to this section in excess of \$250,000 for all damages to one person and \$500,000 for all damages to two or more persons arising out of a single instance of the illegal sale or barter of intoxicating liquor.~~

Sec. 8. Minnesota Statutes 1980, Section 340.951, is amended to read:

#### **340.951 NOTICE OF INJURY.**

Every person who claims damages, and every person or his insurer who claims contribution or indemnity, from any municipality owning and operating a municipal liquor store or from the licensee of any licensed liquor establishment for or on account of any injury within the scope of section 340.95, shall give a

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written notice to the governing body of the municipality or the licensee of the liquor establishment, as the case may be, stating:

(1) The time and date when, and person to whom ~~such~~ the liquor was sold, ~~or bartered, or given;~~

(2) The name and address of the person or persons who were injured or whose property was damaged;

(3) The approximate time and date and the place where any injury to person or property occurred. Every municipality or licensee who claims contribution or indemnification from any other licensee or municipality shall give a written notice in the form and manner specified in this section to the other municipality or licensee.

No error or omission in the notice shall void the effect of the notice, if otherwise valid, unless ~~such~~ the error or omission is of a substantially material nature.

In the case of claims for contribution or indemnity this notice shall be served within 120 days after the injury occurs, or within 60 days after receiving written notice of a claim for contribution or indemnity, whichever is applicable, and no action for contribution or indemnity therefor shall be maintained unless such the notice has been given, and unless it is commenced within one year after such injury. The time for giving the notice shall not include any period of time next succeeding the occurrence of the injury during which the person injured is incapacitated from giving such notice by reason of the injury sustained. In the case of a claim for damages the notice shall be served by the claimant's attorney within 120 days of the date of entering an attorney-client relationship with the person in regard to the claim, and no action for damages shall be maintained unless the notice has been given.

Actual notice of sufficient facts to reasonably put the governing body of the municipality or the licensee of the liquor establishment, as the case may be, or its insurer, on notice of a possible claim, shall be construed to comply with the notice requirements herein.

No action shall be maintained for injury under section 340.95 unless commenced within two years after the injury.

#### Sec. 9. EFFECTIVE DATE.

Sections 2 to 4 are effective March 1, 1983. Sections 1, 5, 6, 7 and 8 are effective the day following final enactment and apply to all causes of action arising on and after that day, except that any changes in notice requirements in section 8 are not effective until 30 days following final enactment.

Approved March 22, 1982

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