

**Sec. 31. REVISOR INSTRUCTION.**

In the next edition of Minnesota Statutes, the revisor shall change the phrase "268.03 to 268.231" to "268.03 to 268.23", wherever it appears.

**Sec. 32. REPEALER.**

(a) Minnesota Statutes 1994, section 268.04, subdivisions 18 and 24, are repealed.

(b) Minnesota Statutes 1994, section 268.10, subdivision 1, and Minnesota Statutes 1995 Supplement, section 268.10, subdivision 2, are repealed.

(c) Minnesota Statutes 1994, section 268.231, is repealed.

(d) Laws 1994, chapter 503, section 5, is repealed.

**Sec. 33. EFFECTIVE DATE.**

Sections 1 to 3, 5, 7 to 16, 18 to 22, 29, and 32 are effective July 1, 1996.

Sections 4, 6, 24 to 28, 30, and 31 are effective the day following final enactment.

Section 17 is effective December 31, 1996.

Presented to the governor March 30, 1996

Signed by the governor April 2, 1996, 12:45 p.m.

---

**CHAPTER 418—S.F.No. 2116**

*An act relating to alcoholic beverages; modifying eligibility for manufacturer and wholesaler licenses; clarifying requirements for selling or furnishing alcoholic beverages; allowing bed and breakfast facilities to furnish wine to guests without a license under certain circumstances; abolishing state licenses for importation of sacramental wine; exempting certain types of wine tastings from statutory restrictions; allowing off-sale retailers to offer samples of distilled spirits; allowing brewers to furnish beer directly to retailers for tastings; allowing off-sale retailers to sell distilled spirits in 50 milliliter bottles; allowing on-sale retailers to prohibit the carrying of alcoholic beverages onto the licensed premises; specifying items that may be sold in municipal liquor stores; removing references to nonintoxicating malt liquor from statute, rules, and local licenses; authorizing on-sale licenses for tour boats on the St. Croix and Mississippi rivers; requiring establishments selling alcoholic beverages to post certain signs; directing commissioners of public safety and health to design the signs; providing for division of tour boat license fees; authorizing additional on-sale licenses in West St. Paul and Eagan; authorizing seasonal on-sale license in Wadena; repealing special law restricting on-sale licenses in Thief River Falls; amending Minnesota Statutes 1994, sections 340A.301, subdivision 2; 340A.316; 340A.404, subdivision 8; 340A.408, subdivision 4; 340A.410, by adding a subdivision; 340A.413, subdivision 4; 340A.418, subdivision 2; 340A.510; and 340A.601, subdivision 1; Minnesota Statutes 1995 Supplement, sections 340A.401; and 340A.404, subdivision 10; Laws 1994, chapter 611, section 32; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1994, sections 144.3871; and 340A.410, subdivision 4a; Laws 1974, chapter 452.*

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

Section 1. Minnesota Statutes 1994, section 340A.301, subdivision 2, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. **PERSONS ELIGIBLE.** Licenses under this section may be issued only to a person who:

- (1) is a citizen of the United States or a resident alien;
- (2) is of good moral character and repute;
- (3) (2) is 21 years of age or older;

(4) (3) has not had a license issued under this chapter revoked within five years of the date of license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested; and

(5) (4) has not been convicted within five years of the date of license application of a felony, or of a willful violation of a federal or state law, or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of alcoholic beverages.

Sec. 2. Minnesota Statutes 1994, section 340A.316, is amended to read:

**340A.316 SACRAMENTAL WINE.**

~~The commissioner may issue licenses for the importation and sale of wine exclusively for sacramental purposes. The holder of a sacramental wine license may sell wine only to a rabbi, priest, or minister of a church, or other established religious organization, or individual members of a religious organization who conduct ceremonies in their homes, if the purchaser certifies in writing that the wine will be used exclusively for sacramental purposes in religious ceremonies. The annual fee for a sacramental wine license is \$50.~~

A rabbi, priest, or minister of a church or other established religious organization may import wine exclusively for sacramental purposes without a license.

Sec. 3. Minnesota Statutes 1995 Supplement, section 340A.401, is amended to read:

**340A.401 LICENSE REQUIRED.**

Except as provided in this chapter, no person may directly or indirectly, on any pretense or by any device, sell, barter, keep for sale, charge for possession, or otherwise dispose of alcoholic beverages as part of a commercial transaction without having obtained a the required license or permit.

Sec. 4. **[340A.401] BED AND BREAKFAST FACILITIES; WHEN LICENSE NOT REQUIRED.**

Subdivision 1. DEFINITION. For purposes of this section "bed and breakfast facility" means a place of lodging that (1) provides not more than eight rooms for rent to no more than 20 guests at a time, (2) is located on the same property as the owner's personal residence, (3) provides no meals, other than breakfast served to persons who rent rooms, and (4) was originally built and occupied as, or was converted to, a single-family residence prior to being used as a place of lodging.

New language is indicated by underline, deletions by strikeout.

Subd. 2. LICENSE NOT REQUIRED. (a) Notwithstanding section 340A.401, no license under this chapter is required for a bed and breakfast facility to provide at no additional charge to a person renting a room at the facility not more than two glasses per day each containing not more than four fluid ounces of wine. Wine so furnished may be consumed only on the premises of the bed and breakfast facility.

(b) A bed and breakfast facility may furnish wine under paragraph (a) only if the facility is registered with the commissioner. Application for such registration must be on a form the commissioner provides. The commissioner may revoke registration under this paragraph for any violation of this chapter or a rule adopted under this chapter.

Sec. 5. Minnesota Statutes 1994, section 340A.404, subdivision 8, is amended to read:

**Subd. 8. LAKE SUPERIOR, ST. CROIX RIVER, AND MISSISSIPPI RIVER TOUR BOATS.** (a) The commissioner may issue an on-sale intoxicating liquor license to a person regularly engaged, on an annual or seasonal basis, in the business of offering tours by boat on Lake Superior and adjacent bays, the St. Croix river, and the Mississippi river. The license shall authorize the sale of intoxicating liquor between May 1 and October 1 for consumption on the boat while underway or attached to a dock or other mooring. No license may be issued unless each boat used in the tour business regularly sells meals in the place where intoxicating liquor is sold.

(b) All sales of intoxicating liquor made on a boat while it is attached to a dock or other mooring are subject to any restrictions on the sale of liquor prescribed by the governing body of the city where the boat is attached, or of a county when it is attached outside a city. A governing body may prohibit liquor sales within its jurisdiction but may not require an additional license, or require a fee or occupation tax, for the sales.

(c) If a boat is moored for a period of at least three consecutive months, the city may require the boat to obtain an on-sale intoxicating liquor license from the city, and the fee charged for the license must not exceed one-half the fee charged for a comparable annual on-sale intoxicating liquor license.

Sec. 6. Minnesota Statutes 1995 Supplement, section 340A.404, subdivision 10, is amended to read:

**Subd. 10. TEMPORARY ON-SALE LICENSES.** The governing body of a municipality may issue to a club or charitable, religious, or other nonprofit organization in existence for at least three years, or to a political committee registered under section 10A.14, a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the licensee. The license may authorize the on-sale of intoxicating liquor for not more than four consecutive days, and may authorize on-sales on premises other than premises the licensee owns or permanently occupies. The license may provide that the licensee may contract for intoxicating liquor catering services with the holder of a full-year on-sale intoxicating liquor license issued by any municipality. The licenses are subject to the terms, including a license fee, imposed by the issuing municipality. Licenses issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except ~~section~~ sections 340A.409 and 340A.504, subdivision 3, paragraph (d), and those laws and ordinances which by their nature are not applicable. Licenses under this subdivision are not valid unless first approved by the commissioner of public safety.

New language is indicated by underline, deletions by ~~strikeout~~.

A county under this section may issue a temporary license only to a premises located in the unincorporated or unorganized territory of the county.

Sec. 7. Minnesota Statutes 1994, section 340A.408, subdivision 4, is amended to read:

Subd. 4. **LAKE SUPERIOR, ST. CROIX RIVER, AND MISSISSIPPI RIVER TOUR BOATS; COMMON CARRIERS.** (a) The annual license fee for licensing of Lake Superior, St. Croix river, and Mississippi river tour boats under section 340A.404, subdivision 8, shall be \$1,000. The commissioner shall transmit one-half of this fee to the governing body of the city that is the home port of the tour boat, or to the county in which the home port is located if the home port is outside a city.

(b) The annual license fee for common carriers licensed under section 340A.407 is:

- (1) \$50 for 3.2 percent malt liquor, and \$20 for a duplicate license; and
- (2) \$200 for intoxicating liquor, and \$20 for a duplicate license.

Sec. 8. Minnesota Statutes 1994, section 340A.410, is amended by adding a subdivision to read:

Subd. 4b. **NOTICE POSTING.** (a) A premises licensed for the retail sale of alcoholic beverages and a municipal liquor store must post and maintain in a conspicuous place within the licensed premises clearly visible to consumers: one sign 14-1/2 inches wide by 8 inches high as designed by the commissioners of health and public safety, which incorporates the following information: (1) the penalties of driving while under the influence of alcohol; (2) penalties for serving alcoholic beverages to a person who is obviously intoxicated or under 21 years of age; and (3) a warning statement regarding drinking alcohol while pregnant.

(b) The commissioners of health and public safety shall design a sign that complies with this subdivision and shall make the sign available for reproduction. A retail licensee or municipal liquor store may not modify the sign design, but may modify the color.

Sec. 9. Minnesota Statutes 1994, section 340A.413, subdivision 4, is amended to read:

Subd. 4. **EXCLUSIONS FROM LICENSE LIMITS.** On-sale intoxicating liquor licenses may be issued to the following entities by a city, in addition to the number authorized by this section:

- (1) clubs, or congressionally chartered veterans organizations;
- (2) restaurants located at a racetrack licensed under chapter 240;
- (3) establishments that are issued licenses to sell wine under section 340A.404, subdivision 5; and
- (4) Lake Superior tour boats that are issued licenses under section 340A.404, subdivision 8; and
- (5) theaters that are issued licenses under section 340A.404, subdivision 2.

Sec. 10. Minnesota Statutes 1994, section 340A.418, subdivision 2, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. **TASTINGS AUTHORIZED.** (a) A charitable, religious, or other non-profit organization may conduct a wine tasting on premises the organization owns or leases or has use donated to it, or on the licensed premises of a holder of an on-sale intoxicating liquor license that is not a temporary license, if the organization holds a temporary on-sale intoxicating liquor license under section 340A.404, subdivision 10, and complies with this section. An organization holding a temporary license may be assisted in conducting the wine tasting by another nonprofit organization.

(b) An organization that conducts a wine tasting under this section may use the net proceeds from the wine tasting only for:

(1) the organization's primary nonprofit purpose; or

(2) donation to another nonprofit organization assisting in the wine tasting, if the other nonprofit organization uses the donation only for that organization's primary nonprofit purpose.

(c) No wine at a wine tasting under this section may be sold, or orders taken, for off-premise off-premises consumption.

(d) Notwithstanding any other law, an organization may purchase or otherwise obtain wine for a wine tasting conducted under this section from a wholesaler licensed to sell wine, and the wholesaler may sell or give wine to an organization for a wine tasting conducted under this section and may provide personnel to assist in the wine tasting. A wholesaler who sells or gives wine to an organization for a wine tasting under this section must deliver the wine directly to the location where the wine tasting is conducted.

(e) This section does not prohibit or restrict a wine tasting that is:

(1) located on on-sale premises where no charitable organization is participating; or

(2) located on on-sale premises where the proceeds are for a designated charity but where the tasting is primarily for educational purposes.

Sec. 11. Minnesota Statutes 1994, section 340A.510, is amended to read:

**340A.510 SAMPLES.**

Subdivision 1. **SAMPLES AUTHORIZED.** Off-sale licenses and municipal liquor stores may provide samples of malt liquor, wine, liqueurs, and cordials, and distilled spirits which the licensee or municipal liquor store currently has in stock and is offering for sale to the general public without obtaining an additional license, provided the wine, liqueur, and cordial, and distilled spirits samples are dispensed at no charge and consumed on the licensed premises during the permitted hours of off-sale in a quantity less than 100 milliliters of malt liquor per variety per customer, 50 milliliters of wine per variety per customer and, 25 milliliters of liqueur or cordial, and 15 milliliters of distilled spirits per variety per customer.

Subd. 2. **MALT LIQUOR FURNISHED FOR SAMPLING.** (a) Notwithstanding section 340A.308, with respect only to sampling authorized under subdivision 1, a brewer may furnish at no cost to an off-sale retailer malt liquor the brewer manufactures if:

(1) the malt liquor is dispensed by the retailer only for tastings authorized under subdivision 1;

New language is indicated by underline, deletions by strikeout.

(2) the retailer makes available for return to the brewer any unused malt liquor and empty containers;

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

(4) the brewer furnishes not more than three cases of malt liquor to the retailer for each sampling;

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

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

(7) the brewer delivers the malt liquor for the sampling to its exclusive wholesaler for that malt liquor;

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

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

(b) For purposes of this subdivision "retailer" means a licensed off-sale retailer of alcoholic beverages and a municipal liquor store that sells at off-sale.

#### **Sec. 12. [340A.511] CERTAIN SIZES MAY BE SOLD.**

An off-sale retailer of intoxicating liquor may sell distilled spirits in bottles of 50 milliliters.

#### **Sec. 13. [340A.512] CONTAINERS BROUGHT INTO PREMISES.**

A licensed retailer of alcoholic beverages may prohibit any person from bringing into the licensed premises any container of alcoholic beverages, or from consuming from such a container on the licensed premises, without the licensee's permission.

Sec. 14. Minnesota Statutes 1994, section 340A.601, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY.** A city having a population of not more than 10,000 may establish, own, and operate a municipal liquor store which may sell at retail intoxicating liquor, 3-2 percent malt liquor, tobacco products, ice, soft drinks, beverages for mixing intoxicating liquor, and food for consumption on the premises alcoholic beverages and (1) in the case of a municipal liquor store that sells at off-sale only, all items that may lawfully be sold in an exclusive liquor store under section 340A.412, subdivision 14, or (2) in the case of a municipal liquor store that sells at on-sale only, or at on- and

New language is indicated by underline, deletions by strikeout.

off-sale, any item that may lawfully be sold in an establishment with an on-sale intoxicating liquor license. A municipal liquor store may also offer recorded or live entertainment and make available coin-operated amusement devices.

Sec. 15. Laws 1994, chapter 611, section 32, is amended to read:

**Sec. 32. EAGAN; LICENSES AUTHORIZED.**

The city of Eagan may issue not more than ~~three~~ eight on-sale intoxicating liquor licenses in addition to the number authorized by Minnesota Statutes, section 340A.413. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized by this section.

**Sec. 16. WEST ST. PAUL; LICENSES AUTHORIZED.**

Notwithstanding any other law, the city of West St. Paul may issue not more than 18 on-sale intoxicating liquor licenses. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized by this section.

**Sec. 17. WADENA; SEASONAL LICENSES.**

Notwithstanding any other law, the city of Wadena may issue one seasonal on-sale intoxicating liquor license in addition to the number of on-sale intoxicating liquor licenses authorized by law. The license authorized by this section is valid for a period to be determined by the city, not to exceed nine months. Not more than one license may be issued under this section for any one premise during any consecutive 12-month period. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized by this section.

**Sec. 18. REPEALER.**

Minnesota Statutes 1994, sections 144.3871; and 340A.410, subdivision 4a, are repealed. Laws 1974, chapter 452, is repealed.

**Sec. 19. EFFECTIVE DATE.**

Sections 4 to 7, 9, and 11 to 14 are effective the day following final enactment. Section 15 is effective on approval by the Eagan city council and compliance with Minnesota Statutes, section 645.021. Section 16 is effective on approval by the West St. Paul city council and compliance with Minnesota Statutes, section 645.021. Section 17 is effective on approval by the Wadena city council and compliance with Minnesota Statutes, section 645.021.

Presented to the governor March 30, 1996

Signed by the governor April 2, 1996, 12:47 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.