

An order directing payment of benefits pending a determination of liability may not be used as evidence before a compensation judge, the workers' compensation court of appeals, or court in which the dispute is pending.

Sec. 5. Minnesota Statutes 1996, section 176.191, subdivision 5, is amended to read:

Subd. 5. **ARBITRATION.** Where a dispute exists between an employer, insurer, the special compensation fund, or the workers' compensation reinsurance association, regarding apportionment of liability for benefits payable under this chapter, and the requesting party has expended over \$10,000 in medical or 52 weeks worth of indemnity benefits and made the request within one year thereafter, a party may require submission of the dispute as to apportionment of liability among employers and insurers to binding arbitration. However, these monetary thresholds shall not apply in any case where the employers and insurers agree to submit the apportionment dispute to arbitration. The decision of the arbitrator shall be conclusive on the issue of apportionment among employers and insurers. Consent of the employee is not required for submission of a dispute to arbitration pursuant to this section and the employee is not bound by the results of the arbitration. An arbitration award shall not be admissible in any other proceeding under this chapter. Notice of the proceeding shall be given to the employee.

The employee, or any person with material information to the facts to be arbitrated, shall attend the arbitration proceeding if any party to the proceeding deems it necessary. Nothing said by an employee in connection with any arbitration proceeding may be used against the employee in any other proceeding under this chapter. Reasonable expenses of meals, lost wages, and travel of the employee or witnesses in attending shall be reimbursed on a pro rata basis. Arbitration costs shall be paid by the parties, except the employee, on a pro rata basis.

Sec. 6. **EFFECTIVE DATE.**

Section 3 is effective the day following final enactment and applies to injuries on or after that date. Section 4 is effective the day following final enactment.

Presented to the governor May 8, 1997

Signed by the governor May 9, 1997, 8:17 a.m.

CHAPTER 129—S.F.No. 277

An act relating to alcoholic beverages; providing for permits for alcoholic beverage manufacturer warehouses, central distribution centers, or holding facilities; allowing a municipality to authorize a holder of an on-sale intoxicating liquor license to dispense intoxicating liquor at community festivals; allowing uniform licensing periods for holders of multiple on-sale licenses; modifying liability insurance requirements for liquor retailers; modifying shipping restrictions for certain wineries; allowing municipalities to authorize on-sale of 3.2 percent malt liquor at 10 a.m. on Sundays; authorizing the sale of intoxicating liquor at professional athletic events in the St. Paul civic center; authorizing the issuance of intoxicating liquor licenses to the division of parks and recreation of the city of St. Paul; authorizing the city of Moorhead to issue additional on-sale licenses; modifying

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time of day restrictions for the off-sale of intoxicating liquor in municipal liquor stores in certain cities; authorizing the city of Spring Lake Park to issue an additional on-sale license; consolidating divisions in the department of public safety; providing civil and criminal penalties; amending Minnesota Statutes 1996, sections 16B.54, subdivision 2; 43A.34, subdivision 4; 299A.02, subdivisions 1, 2, and 3; 299L.01, subdivisions 1 and 2; 299L.02, subdivisions 4 and 5; 299L.03, subdivisions 1, 5, and 7; 340A.201; 340A.404, subdivision 4, and by adding a subdivision; 340A.409, subdivisions 1 and 4; 340A.417; and 340A.504, subdivision 3; Laws 1969, chapter 783, section 1, subdivision 1, as amended; and Laws 1990, chapter 554, section 19; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

ARTICLE 1

ALCOHOLIC BEVERAGE REGULATION

Section 1. [340A.3021] IMPORTATION RESTRICTIONS.

Subdivision 1. DELIVERY TO WHOLESALER ONLY. (a) No person may consign, ship, or deliver alcoholic beverages to any place in Minnesota except to a licensed wholesaler's warehouse, if the alcoholic beverages:

- (1) were manufactured outside Minnesota; and
- (2) have not previously been unloaded into a licensed wholesaler's warehouse in Minnesota.

(b) No person may ship or consign into Minnesota any alcoholic beverages manufactured outside the state unless the alcoholic beverages are continuously in the possession of a motor carrier of property as defined in section 221.011, subdivision 47, or a common carrier as defined in section 218.011, subdivision 2, or are carried in a motor vehicle owned, leased, or rented by a wholesaler licensed under this chapter, between the time the alcoholic beverages are introduced into Minnesota and the time they are unloaded into a licensed wholesaler's warehouse.

Subd. 2. EXCEPTIONS. Subdivision 1 does not apply to:

- (1) alcoholic beverages passing through Minnesota in interstate commerce;
- (2) alcoholic beverages imported into Minnesota by individuals for personal use in the amounts permitted under section 297C.09 or 340A.417; and
- (3) a holder of a manufacturer's warehouse permit.

Subd. 3. CONFORMITY WITH FEDERAL AND STATE REGULATIONS.

No manufacturer, importer, or wholesaler licensed under this chapter may introduce into Minnesota or sell in Minnesota any bottle or other container containing alcoholic beverages unless the alcoholic beverages are packaged, labeled, and sold in conformity with all applicable federal and state regulations.

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Subd. 4. SOLICITATIONS PROHIBITED. No person may send or mail, or cause to be sent or mailed any letter, postcard, circular, catalog, pamphlet, or similar publication for delivery into Minnesota that is intended to solicit an order for alcoholic beverages to be shipped to any location into Minnesota other than a licensed wholesaler's warehouse.

Subd. 5. CAUSE OF ACTION. In addition to any penalties provided in this chapter, a person who is adversely affected by a violation of this section may bring an action in a court of appropriate jurisdiction to seek damages or injunctive relief. On a finding by the court that a person has violated or is violating this section, the court may enjoin the violation or violations. Any person licensed under this chapter is presumed to be adversely affected by a violation of this section.

Sec. 2. [340A.3055] MANUFACTURER'S WAREHOUSE PERMIT.

Subdivision 1. PERMIT REQUIRED. No brewer, malt liquor manufacturer, or intoxicating liquor manufacturer may import alcoholic beverages to a central warehouse, central distribution center, or holding area in Minnesota that the brewer or manufacturer owns or leases unless the brewer or manufacturer has obtained from the commissioner a manufacturer's warehouse permit for the facility. A manufacturer's warehouse permit allows a brewer or manufacturer to import alcoholic beverages for storage at the facility for which the permit is issued. No person other than a licensed wholesaler, or a motor carrier of property as defined in section 221.011, subdivision 47, or a common carrier as defined in section 218.011, subdivision 2, acting on behalf of a brewer, malt liquor manufacturer, intoxicating liquor manufacturer, or licensed wholesaler, may accept delivery from or pick up alcoholic beverages from the facility. A licensed wholesaler may distribute alcoholic beverages only from the wholesaler's warehouse.

Subd. 2. ELIGIBILITY. A permit under this section may be issued only to a brewer, malt liquor manufacturer, or intoxicating liquor manufacturer:

- (1) whose manufacturing facility or facilities are located outside Minnesota; and
- (2) who holds a valid importer's license under section 340A.302.

Subd. 3. FEE. The annual fee for a permit under this section is \$1,000.

Subd. 4. RESTRICTION ON SALE AND DELIVERIES. A holder of a permit under this section may sell alcoholic beverages stored in a facility to which a permit has been issued under this section only to:

- (1) a wholesaler licensed under this chapter;
- (2) a wholesaler licensed in another state; or
- (3) an out-of-state or out-of-country entity that sells alcoholic beverages at wholesale or retail.

Subd. 5. REPORTS. A holder of a permit under this section must report monthly to the commissioner of revenue, in a form and at a time the commissioner prescribes:

- (1) all alcoholic beverages imported into Minnesota and delivered to the permit holder's facility; and

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(2) all sales of alcoholic beverages made from the facility.

Reports to the commissioner of revenue under this subdivision shall remain confidential unless a manufacturer authorizes the release of a report.

Sec. 3. Minnesota Statutes 1996, section 340A.404, subdivision 4, is amended to read:

Subd. 4. **SPECIAL PROVISIONS; SPORTS, CONVENTIONS, OR CULTURAL FACILITIES; COMMUNITY FESTIVALS.** (a) The governing body of a municipality may authorize a holder of a retail on-sale intoxicating liquor license issued by the municipality or by an adjacent municipality to dispense intoxicating liquor at any convention, banquet, conference, meeting, or social affair conducted on the premises of a sports, convention, or cultural facility owned by the municipality or instrumentality thereof having independent policy making and appropriating authority and located within the municipality. The licensee must be engaged to dispense intoxicating liquor at an event held by a person or organization permitted to use the premises, and may dispense intoxicating liquor only to persons attending the event. The licensee may not dispense intoxicating liquor to any person attending or participating in an amateur athletic event held on the premises.

(b) The governing body of a municipality may authorize a holder of a retail on-sale intoxicating liquor license issued by the municipality to dispense intoxicating liquor off premises at a community festival held within the municipality. The authorization shall specify the area in which the intoxicating liquor must be dispensed and consumed, and shall not be issued unless the licensee demonstrates that it has liability insurance as prescribed by section 340A.409 to cover the event.

Sec. 4. Minnesota Statutes 1996, section 340A.404, is amended by adding a subdivision to read:

Subd. 13. **HOLDERS OF MULTIPLE ON-SALE LICENSES; UNIFORM LICENSING PERIODS.** Notwithstanding any local ordinance or other law, a local government unit may adjust the licensing period for any holder of multiple on-sale alcoholic beverage licenses in the state, upon request of the licensee. The local government unit may charge a fee for an adjustment of the licensing period.

Sec. 5. Minnesota Statutes 1996, section 340A.409, subdivision 1, is amended to read:

Subdivision 1. **INSURANCE REQUIRED.** No retail license may be issued, maintained or renewed unless the applicant demonstrates proof of financial responsibility with regard to liability imposed by section 340A.801. The issuing authority must submit to the commissioner the applicant's proof of financial responsibility. This subdivision does not prohibit a local unit of government from requiring higher insurance or bond coverages, or a larger deposit of cash or securities. The minimum requirement for proof of financial responsibility may be given by filing:

(1) a certificate that there is in effect for the license period an insurance policy issued by an insurer required to be licensed under section 60A.07, subdivision 4, or by an insurer recognized as an eligible surplus lines carrier pursuant to section 60A.206 or pool providing at least \$50,000 of coverage because of bodily injury to any one person in any one

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occurrence, \$100,000 because of bodily injury to two or more persons in any one occurrence, \$10,000 because of injury to or destruction of property of others in any one occurrence, \$50,000 for loss of means of support of any one person in any one occurrence, and \$100,000 for loss of means of support of two or more persons in any one occurrence;

(2) a bond of a surety company with minimum coverages as provided in clause (1);
or

(3) a certificate of the state treasurer that the licensee has deposited with the state treasurer \$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 an insurer from providing the coverage required by this subdivision in combination with other insurance coverage.

An annual aggregate policy limit for dram shop insurance of not less than \$300,000 per policy year may be included in the policy provisions.

A liability insurance policy required by this section must provide that it may not be canceled for:

(1) any cause, except for nonpayment of premium, by either the insured or the insurer unless the canceling party has first given 30 days' notice in writing to the issuing authority of intent to cancel the policy; and

(2) nonpayment of premium unless the canceling party has first given ten days' notice in writing to the issuing authority of intent to cancel the policy.

Sec. 6. Minnesota Statutes 1996, section 340A.409, subdivision 4, is amended to read:

Subd. 4. **INSURANCE NOT REQUIRED.** Subdivision 1 does not apply to licensees who by affidavit establish that:

(1) they are on-sale 3.2 percent malt liquor licensees with sales of less than \$10,000 \$25,000 of 3.2 percent malt liquor for the preceding year;

(2) they are off-sale 3.2 percent malt liquor licensees with sales of less than \$20,000 \$50,000 of 3.2 percent malt liquor for the preceding year;

(3) they are holders of on-sale wine licenses with sales of less than \$10,000 \$25,000 for wine for the preceding year; or

(4) they are holders of temporary wine licenses issued under law.

Sec. 7. Minnesota Statutes 1996, section 340A.417, is amended to read:

340A.417 **SHIPMENTS INTO MINNESOTA.**

(a) Notwithstanding section 297C.09 or any provision of this chapter, a winery licensed in a state which affords Minnesota wineries an equal reciprocal shipping privilege, or a winery located in Minnesota, may ship, for personal use and not for resale, not more than two cases of wine, containing a maximum of nine liters per case, in any calendar year to any resident of Minnesota age 21 or over. Delivery of a shipment under this section may not be deemed a sale in this state.

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(b) The shipping container of any wine sent into or out of Minnesota under this section must be clearly labeled to indicate that the package cannot be delivered to a person under the age of 21 years.

(c) No person may (1) advertise shipments authorized under this section, or (2) by advertisement or otherwise, solicit shipments authorized by this section, or (3) accept orders for shipments authorized by this section by use of the Internet. No shipper located outside Minnesota may advertise such interstate reciprocal wine shipments in Minnesota.

(d) It is not the intent of this section to impair the distribution of wine through distributors or importing distributors, but only to permit shipments of wine for personal use.

(e) No criminal penalty may be imposed on a person for a violation of this section other than a violation described in paragraph (f) or (g). Whenever it appears to the commissioner that any person has engaged in any act or practice constituting a violation of this section, and the violation is not within two years of any previous violation of this section, the commissioner shall issue and cause to be served upon the person an order requiring the person to cease and desist from violating this section. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing shall be held not later than seven days after the request for the hearing is received by the commissioner after which and within 20 days after the receipt of the administrative law judge's report and subsequent exceptions and argument, the commissioner shall issue an order vacating the cease and desist order, modifying it, or making it permanent as the facts require. If no hearing is requested within 30 days of the service of the order, the order becomes final and remains in effect until modified or vacated by the commissioner. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(f) Any person who violates this section within two years of a violation for which a cease and desist order was issued under paragraph (e), is guilty of a misdemeanor.

(g) Any person who commits a third or subsequent violation of this section, including a violation for which a cease and desist order was issued under paragraph (c), within any subsequent two-year period is guilty of a gross misdemeanor.

Sec. 8. Minnesota Statutes 1996, section 340A.504, subdivision 3, is amended to read:

Subd. 3. INTOXICATING LIQUOR; SUNDAY SALES; ON-SALE. (a) A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 12:00 noon on Sundays and 1:00 a.m. on Mondays.

(b) The governing body of a municipality may after one public hearing by ordinance permit a restaurant, hotel, bowling center, or club to sell intoxicating liquor alcoholic beverages for consumption on the premises in conjunction with the sale of food between

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the hours of 10:00 a.m. on Sundays and 1:00 a.m. on Mondays, provided that the licensee is in conformance with the Minnesota clean air act.

(c) An establishment serving intoxicating liquor on Sundays must obtain a Sunday license. The license must be issued by the governing body of the municipality for a period of one year, and the fee for the license may not exceed \$200.

(d) A city may issue a Sunday intoxicating liquor license only if authorized to do so by the voters of the city voting on the question at a general or special election. A county may issue a Sunday intoxicating liquor license in a town only if authorized to do so by the voters of the town as provided in paragraph (e). A county may issue a Sunday intoxicating liquor license in unorganized territory only if authorized to do so by the voters of the election precinct that contains the licensed premises, voting on the question at a general or special election.

(e) An election conducted in a town on the question of the issuance by the county of Sunday sales licenses to establishments located in the town must be held on the day of the annual election of town officers.

(f) Voter approval is not required for licenses issued by the metropolitan airports commission or common carrier licenses issued by the commissioner. Common carriers serving intoxicating liquor on Sunday must obtain a Sunday license from the commissioner at an annual fee of \$50, plus \$20 for each duplicate.

Sec. 9. Laws 1969, chapter 783, section 1, subdivision 1, as amended by Laws 1971, chapter 498, section 1, as amended by Laws 1973, chapter 396, section 1, is amended to read:

Section 1. ST. PAUL, CITY OF; CIVIC CENTER; LIQUOR LICENSE.

Subdivision 1. In addition to the licenses now authorized by law, and notwithstanding any provision of law to the contrary contained in the charter or ordinances of such city, or statutes applicable to such city, the city of St. Paul is authorized to issue an "on sale" liquor license for the premises known and used as the St. Paul civic center. The license so authorized may be vested, with the prior approval of the civic center authority, in any person, firm or corporation who has contracted for the use of the civic center premises for an event or a caterer of such person, firm or corporation approved by the civic center authority. The license may be vested in such person, firm, corporation or caterer notwithstanding the fact that such person, firm, corporation or caterer may hold another "on sale" license in its own right, but such license vested by the authority shall expire upon termination of the contracted event. The fee for such license to the authority shall be fixed by the governing body of the city of St. Paul. Such liquor license shall be issued in accordance with the statutes applicable to the issuance of "on sale" liquor licenses in cities of the first class not inconsistent herewith and in accordance with the charter and ordinances of the city of St. Paul not inconsistent herewith and shall limit the sale of intoxicating liquor to patrons of the entire civic center complex who gather therein for any convention, banquet, conference, meeting, professional athletic or sporting event, theatrical event or social affair, but shall prohibit the sale of: (1) intoxicating liquor to the public or to any persons attending or participating in any amateur athletic event other than an intercollegiate athletic event being held on the civic center premises; and (2) intoxicating liquor other than malt liquor to the public or to any persons attending or participating in an intercollegiate athletic event at the civic center premises.

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Sec. 10. Laws 1990, chapter 554, section 19, is amended to read:

Sec. 19. CITY OF ST. PAUL; WINE AND BEER LICENSES.

Subdivision 1. **LICENSE AUTHORIZED.** The city of St. Paul may issue on-sale nonintoxicating malt liquor licenses ~~and, on-sale wine licenses, and on-sale intoxicating liquor licenses~~ to the city's division of parks and recreation. The licenses authorize the sale or service of wine ~~or, nonintoxicating malt liquor, or intoxicating liquor~~ on property owned by the city and under the jurisdiction of the division by:

- (1) employees of the city;
- (2) persons holding a permit from the division to conduct an event and sell or serve wine ~~or, nonintoxicating malt liquor, or intoxicating liquor~~ to persons attending the event; or
- (3) persons who have contracted with the city to sell or serve wine ~~or, nonintoxicating malt liquor, or intoxicating liquor~~ on such property.

Subd. 2. **PERMITS; CONTRACTS.** (a) Permits issued by the city under subdivision 1, clause (2), and contracts entered into by the city under subdivision 1, clause (3), must provide for:

- (1) the duration of the permit or contract;
- (2) the premises or area in which sales or service of wine ~~or, nonintoxicating malt liquor, or intoxicating liquor~~ will be made;
- (3) the persons to whom such sales or service will be made;
- (4) the days and hours in which such sales or service will be made; and
- (5) obtaining by the permit holder or contracted vendor of such liquor liability insurance or bond, or both, as the city considers necessary to protect the city's interest as the holder of the license.

(b) A permit may be issued or a contract entered into under this section with a person who does not hold a license issued under Minnesota Statutes, chapter 340A, for the retail sale of alcoholic beverages.

(c) The division may, without notice or hearing, refuse to issue a permit under subdivision 1, clause (2).

Subd. 3. **CITY COUNCIL APPROVAL.** The St. Paul city council must approve each:

- (1) facility at which wine ~~or, nonintoxicating malt liquor, or intoxicating liquor~~ will be sold or served by city employees;
- (2) permit issued under subdivision 1, clause (2); and
- (3) contract entered into under subdivision 1, clause (3).

Subd. 4. **APPLICABILITY OF GENERAL LAW.** All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to licenses issued under this section. Licenses authorized by this section are in addition to any other licenses authorized by law.

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Sec. 11. CITY OF MOORHEAD; LIQUOR LICENSES.

The city of Moorhead may issue two on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized under this section.

Sec. 12. CITY OF DULUTH; OFF-SALE HOURS.

Notwithstanding any other law, the city of Duluth may by ordinance permit the off-sale of intoxicating liquor until 10:00 p.m. on Monday through Saturday.

Sec. 13. CITY OF PROCTOR; OFF-SALE HOURS.

Notwithstanding any other law, the city of Proctor may by ordinance permit the off-sale of intoxicating liquor until 10:00 p.m. on Monday through Saturday.

Sec. 14. CITY OF HERMANTOWN; OFF-SALE HOURS.

Notwithstanding any other law, the city of Hermantown may by ordinance permit the off-sale of intoxicating liquor until 10:00 p.m. on Monday through Saturday.

Sec. 15. CITY OF SPRING LAKE PARK; LIQUOR LICENSES.

The city of Spring Lake Park may issue one on-sale intoxicating liquor license in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized under this section.

Sec. 16. EFFECTIVE DATE.

Sections 2, 3, and 8 are effective the day following final enactment.

Section 9 is effective upon approval by the St. Paul city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Section 10 is effective upon approval by the Saint Paul city council and compliance with Minnesota Statutes, section 645.021.

Section 11 is effective upon approval by the Moorhead city council and compliance with Minnesota Statutes, section 645.021.

Section 12 is effective upon approval by the Duluth city council and compliance with Minnesota Statutes, section 645.021.

Section 13 is effective upon approval by the Proctor city council and compliance with Minnesota Statutes, section 645.021.

Section 14 is effective upon approval by the Hermantown city council and compliance with Minnesota Statutes, section 645.021.

Section 15 is effective upon approval by the Spring Lake Park city council and compliance with Minnesota Statutes, section 645.021.

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ARTICLE 2

ALCOHOL AND GAMBLING ENFORCEMENT

Section 1. Minnesota Statutes 1996, section 16B.54, subdivision 2, is amended to read:

Subd. 2. **VEHICLES.** (a) **ACQUISITION FROM AGENCY; APPROPRIATION.** The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) **PURCHASE.** To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) **TRANSFER AT AGENCY REQUEST.** On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) **VEHICLES; MARKING.** The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by:

- (1) the governor;
- (2) the lieutenant governor;
- (3) the division of criminal apprehension, ~~the division of liquor control,~~ the division of alcohol and gambling enforcement, and arson investigators of the division of fire marshal in the department of public safety;
- (4) the financial institutions division of the department of commerce;
- (5) the division of disease prevention and control of the department of health;
- (6) the state lottery;
- (7) criminal investigators of the department of revenue;
- (8) state-owned community service facilities in the department of human services;
- (9) the investigative staff of the department of economic security; and

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(10) the office of the attorney general.

Sec. 2. Minnesota Statutes 1996, section 43A.34, subdivision 4, is amended to read:

Subd. 4. **STATE PATROL, CONSERVATION AND CRIME BUREAU OFFICERS EXEMPTED.** Notwithstanding any provision to the contrary, (a) conservation officers and crime bureau officers who were first employed on or after July 1, 1973, and who are members of the state patrol retirement fund by reason of their employment, and members of the Minnesota state patrol division and alcohol and gambling enforcement divisions division of the department of public safety who are members of the state patrol retirement association by reason of their employment, shall not continue employment after attaining the age of 60 years, except for a fractional portion of one year that will enable the employee to complete the employee's next full year of allowable service as defined pursuant to section 352B.01, subdivision 3; and (b) conservation officers and crime bureau officers who were first employed and are members of the state patrol retirement fund by reason of their employment before July 1, 1973, shall not continue employment after attaining the age of 70 years.

Sec. 3. Minnesota Statutes 1996, section 299A.02, subdivision 1, is amended to read:

Subdivision 1. **DIRECTOR OF DIVISION OF LIQUOR CONTROL CONFLICT OF INTEREST.** No employee of the department of public safety or the department of revenue having any responsibility for the administration or enforcement of Laws 1985, chapter 305, articles 2 to 11, chapter 297C or 340A shall have a direct or indirect interest, except through ownership or investment in pension or mutual funds, in the manufacture, transportation or sale of intoxicating liquor or any malt or vinous beverages, intoxicating, nonintoxicating, or commercial or industrial alcohol. The commissioner of public safety or the commissioner of revenue may remove an employee in the unclassified civil service for any intentional violation of any provision in Laws 1985, chapter 305, articles 2 to 11, of chapter 297C or 340A. Intentional violation of the preceding sections a provision of chapter 297C or 340A by a classified employee of one of the departments may be grounds for removal of that employee pursuant to section 43A.33.

Sec. 4. Minnesota Statutes 1996, section 299A.02, subdivision 2, is amended to read:

Subd. 2. **GENERAL POWERS.** The commissioner shall administer and enforce the provisions of Laws 1985, chapter 305, articles 2 to 11, chapters 297C and 340A through the director of alcohol and gambling enforcement, except for those provisions thereof for which administration and enforcement are reserved to the commissioner of revenue.

Sec. 5. Minnesota Statutes 1996, section 299A.02, subdivision 3, is amended to read:

Subd. 3. **REPORTS; RULES.** The commissioner shall have power to require periodic factual reports from all licensed importers, manufacturers, wholesalers and retailers of intoxicating liquors and to make all reasonable rules to effect the object of Laws 1985, chapter 305, articles 2 to 11, chapters 297C and 340A. The rules 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. No rule may require the use of new

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containers in aging whiskey. No rule may require cordials or liqueurs to contain in excess of 2-1/2 percent by weight of sugar or dextrose or both.

Sec. 6. Minnesota Statutes 1996, section 299L.01, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** (a) For the purposes of this chapter, the terms defined in this subdivision have the meanings given them.

(b) "Division" means the division of alcohol and gambling enforcement.

(c) "Commissioner" means the commissioner of public safety.

(d) "Director" means the director of alcohol and gambling enforcement.

(e) "Manufacturer" means a person who assembles from raw materials or subparts a gambling device for sale or use in Minnesota.

(f) "Distributor" means a person who sells, offers to sell, or otherwise provides a gambling device to a person in Minnesota.

(g) "Used gambling device" means a gambling device five or more years old from the date of manufacture.

(h) "Test" means the process of examining a gambling device to determine its characteristics or compliance with the established requirements of any jurisdiction.

(i) "Testing facility" means a person in Minnesota who is engaged in the testing of gambling devices for use in any jurisdiction.

Sec. 7. Minnesota Statutes 1996, section 299L.01, subdivision 2, is amended to read:

Subd. 2. **ESTABLISHED; CONSOLIDATION WITH LIQUOR CONTROL.** Effective October 1, 1996, the duties and powers of the division of gambling enforcement is are transferred to the division of alcohol and gambling enforcement in the department of public safety, under the control and supervision of a director, appointed by the commissioner and serving at the commissioner's pleasure in the unclassified service. The director must be a person who is licensed or eligible to be licensed as a peace officer under sections 626.84 to 626.863.

Sec. 8. Minnesota Statutes 1996, section 299L.02, subdivision 4, is amended to read:

Subd. 4. **OTHER GAMBLING.** ~~The director of gambling enforcement shall cooperate with all state and local agencies in the detection and apprehension of unlawful gambling.~~

Sec. 9. Minnesota Statutes 1996, section 299L.02, subdivision 5, is amended to read:

Subd. 5. **BACKGROUND CHECKS.** In any background check required to be conducted by the division of ~~gambling enforcement~~ under this chapter, chapter 240, 349, 349A, or section 3.9221, the director may, or shall when required by law, require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for the conducting of a national criminal history check. The director may charge a fee for fingerprint recording and investigation under section 3.9221.

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Sec. 10. Minnesota Statutes 1996, section 299L.03, subdivision 1, is amended to read:

Subdivision 1. **INSPECTIONS; ACCESS.** In conducting any inspection authorized under this chapter or chapter 240, 349, or 349A, the ~~employees of the division of gambling enforcement~~ employees have free and open access to all parts of the regulated business premises, and may conduct the inspection at any reasonable time without notice and without a search warrant. For purposes of this subdivision, "regulated business premises" means premises where:

(1) lawful gambling is conducted by an organization licensed under chapter 349 or by an organization exempt from licensing under section 349.166;

(2) gambling equipment is manufactured, sold, distributed, or serviced by a manufacturer or distributor licensed under chapter 349;

(3) records required to be maintained under chapter 240, 297E, 349, or 349A are prepared or retained;

(4) lottery tickets are sold by a lottery retailer under chapter 340A;

(5) races are conducted by a person licensed under chapter 240; or

(6) gambling devices are manufactured, distributed, or tested, including places of storage under section 299L.07.

Sec. 11. Minnesota Statutes 1996, section 299L.03, subdivision 5, is amended to read:

Subd. 5. **ARREST POWERS.** The director may designate certain division employees within the division of gambling enforcement who are authorized to arrest or investigate any person who is suspected of violating any provision of chapter 240, 349, or 349A, or is suspected of committing any crime involving gambling, and to conduct searches and seizures to enforce any of those laws. Any employee authorized by this subdivision to make an arrest must be licensed under sections 626.84 to 626.863.

Sec. 12. Minnesota Statutes 1996, section 299L.03, subdivision 7, is amended to read:

Subd. 7. **OTHER POWERS.** Nothing in this chapter limits the authority of the division of gambling enforcement to exercise any other power specified under chapter 240, 340A, 349, or 349A.

Sec. 13. Minnesota Statutes 1996, section 340A.201, is amended to read:

340A.201. LIQUOR CONTROL AUTHORITY.

Subdivision 1. 1976 SUCCESSOR. The commissioner of public safety is the successor to the commissioner of liquor control with respect to the powers and duties vested in the latter as of February 6, 1976, except for those powers and duties transferred to the commissioner of revenue. Any proceeding, court action, prosecution, or other business undertaken or commenced as of February 6, 1976, by the commissioner of liquor control is assigned to the commissioners of public safety and revenue as appropriate and may be completed by them.

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

Subd. 2. DELEGATION; 1996 CONSOLIDATION; DIVISION DIRECTOR. Effective October 1, 1996, the duties and powers vested previously in the commissioner of public safety and delegated to the department's division of liquor control are delegated and transferred to, and consolidated with, the division of alcohol and gambling enforcement of the department of public safety, under the supervision of a director appointed by the commissioner and serving in the unclassified service at the pleasure of the commissioner.

Sec. 14. RESPONSIBILITIES TRANSFERRED AND CONSOLIDATED INTO DIVISION OF ALCOHOL AND GAMBLING ENFORCEMENT.

Subdivision 1. RESPONSIBILITIES TRANSFERRED. The responsibilities of the division of liquor control and the division of gambling enforcement are transferred and consolidated into the division of alcohol and gambling enforcement in the department of public safety, under the supervision of a director in the unclassified service appointed by the commissioner of public safety and serving at the commissioner's pleasure. The term "responsibilities" includes powers, duties, rights, obligations, and other authority imposed by law on the former divisions. The term "new division" means the division of alcohol and gambling enforcement and "former divisions" means the division of liquor control and the division of gambling enforcement.

Subd. 2. CONTINUATION. The new division is a continuation of the former divisions as to those responsibilities and matters within the jurisdiction of the former divisions that are transferred to the new division. Following a transfer the new division shall carry out the assigned responsibilities as though the responsibilities of the former division had not been transferred. A transfer is not a new authority for the purpose of succession to all responsibilities of the former divisions as constituted at the time of the transfer.

Subd. 3. RULES. Rules adopted pursuant to responsibilities that are transferred to the new division remain effective and shall be enforced until amended or repealed in accordance with law by the commissioner of public safety. The rulemaking authority of the commissioner of public safety, that existed to implement the responsibilities that are transferred from the former divisions, is retained by the commissioner.

Subd. 4. COURT ACTIONS. Any proceeding, court action, prosecution, or other business or matter pending on the effective date of a transfer of responsibilities may be conducted and completed under the authority of the commissioner of public safety in the same manner, under the same terms and conditions, and with the same effect as though it involved or were commenced and conducted or completed prior to the transfer.

Subd. 5. CONTRACTS; RECORDS. The former divisions whose responsibilities are transferred shall give all contracts, books, maps, plans, papers, records, and property of every description relating to the transferred responsibilities and within its jurisdiction or control to the new division. The new division shall accept the material presented. The transfer shall be made in accordance with the directions of the new division.

Subd. 6. UNEXPENDED FUNDS. The unexpended balance of any appropriation to a former division for the purposes of any responsibilities that are transferred to the new division are reappropriated to the new division under the same conditions as the original appropriation, effective retroactively to October 1, 1996.

Subd. 7. PERSONNEL. The position of director of the division of liquor control is abolished. The person occupying the position of director of gambling enforcement be-

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

comes the director of alcohol and gambling enforcement, a position in the unclassified service. The director serves at the pleasure of the commissioner of public safety. All other classified and unclassified positions associated with the responsibilities being transferred are transferred with their incumbents to the new division. Personnel changes are effective retroactively to October 1, 1996. Nothing in this subdivision abrogates or modifies the rights now enjoyed by affected employees under the managerial or commissioner's plan under Minnesota Statutes, section 43A.18, or the terms of an agreement between an exclusive representative of public employees and the state or one of its appointing authorities.

Sec. 15. INSTRUCTION TO REVISOR.

The revisor of statutes shall change the terms "division of gambling enforcement," "division of liquor control," "director of gambling enforcement," "director of the division of liquor control," and similar terms referring to either of those divisions or directors to "division of alcohol and gambling enforcement" or "director of alcohol and gambling enforcement," as appropriate:

(1) where found in Minnesota Statutes, chapters 299L, 340A, 349, and 349A, and Minnesota Statutes, sections 10A.01, subdivision 18; 13.99, subdivision 92a; 240.06, subdivisions 3 and 8; 240.07, subdivision 2; 240.08, subdivision 3; 240.09, subdivision 3a; 240.21; 297E.13, subdivision 5; 297E.16, subdivision 2; 352B.01, subdivision 2; 626.05, subdivision 2; 626.13; and 626.84, subdivision 1; and

(2) where found in Minnesota Rules.

Sec. 16. EFFECTIVE DATE.

Sections 1 to 14 are effective retroactively to October 1, 1996.

Presented to the governor May 8, 1997

Signed by the governor May 9, 1997, 8:20 a.m.

CHAPTER 130—S.F.No. 35

An act relating to elections; permitting the election of soil and water conservation district supervisors from single-member districts in the counties of Ramsey and Washington; amending Minnesota Statutes 1996, section 103C.311.

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

Section 1. Minnesota Statutes 1996, section 103C.311, is amended to read:

103C.311 FORMATION OF SUPERVISOR DISTRICTS.

Subdivision 1. **SUPERVISORS ELECTED AT LARGE.** (a) The district board, after two successive annual elections have been held, shall, with the approval of the state board, divide a district into five supervisor districts for purposes of nomination for election. At each election after the division, one or more supervisors shall be nominated from each supervisor district.

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