

CHAPTER 25—S.F.No. 171

An act relating to liquor; providing for conformity in license fees and production levels for brewpubs and small brewers; authorizing issuance of temporary licenses to small brewers; authorizing off-sale of growlers by small brewers; providing that the on-sale license for Elko Speedway authorizes sales on all days of the week; changing the issuer of a certain license at the state fair; authorizing the city of Duluth to issue a liquor license for Wade Municipal Stadium; authorizing the city of St. Paul to issue a liquor license for special events at the State Capitol; amending Minnesota Statutes 2004, sections 340A.301, subdivisions 6, 7; 340A.404, subdivision 10; Laws 2003, chapter 126, sections 28, 29; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

Section 1. Minnesota Statutes 2004, section 340A.301, subdivision 6, is amended to read:

Subd. 6. **FEES.** The annual fees for licenses under this section are as follows:

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| (a) Manufacturers (except as provided in clauses (b) and (c))
Duplicates | \$15,000
\$ 3,000 |
| (b) Manufacturers of wines of not more than 25 percent alcohol by volume | \$ 500 |
| (c) Brewers other than those described in clauses (d) and (i) who
<u>manufacture more than 3,500 barrels of malt liquor in a year</u> | \$ 2,500 |
| (d) Brewers who also hold one or more retail on-sale licenses and who manufacture fewer than 3,500 barrels of malt liquor in a year, at any one licensed premises, using only wort produced in Minnesota, the entire production of which is solely for consumption on tap on the licensed premises or for off-sale from that licensed premises.
A brewer licensed under this clause must obtain a separate license for each licensed premises where the brewer brews malt liquor. A brewer | |

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	licensed under this clause may not be licensed as an importer under this chapter	\$ 500
(e)	Wholesalers (except as provided in clauses (f), (g), and (h))	\$15,000
	Duplicates	\$ 3,000
(f)	Wholesalers of wines of not more than 25 percent alcohol by volume	\$ 2,000
(g)	Wholesalers of intoxicating malt liquor	\$ 600
	Duplicates	\$ 25
(h)	Wholesalers of 3.2 percent malt liquor	\$ 10
(i)	Brewers who manufacture fewer than 2,000 barrels of malt liquor in a year	\$ 150
(j)	<u>Brewers who manufacture 2,000 to 3,500 barrels of malt liquor in a year</u>	<u>\$ 500</u>

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

Sec. 2. Minnesota Statutes 2004, section 340A.301, subdivision 7, is amended to read:

Subd. 7. **INTEREST IN OTHER BUSINESS.** (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, importer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or 3.2 percent malt liquor license. The commissioner may not issue a license under this section to a manufacturer, brewer, importer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, importer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

(b) A brewer licensed under subdivision 6, clause (d), may be issued an on-sale intoxicating liquor or 3.2 percent malt liquor license by a municipality for a restaurant operated in the place of manufacture. Notwithstanding section 340A.405, a brewer who holds an on-sale license issued pursuant to this paragraph or a brewer who manufactures fewer than 3,500 barrels of malt liquor in a year may, with the approval of the commissioner, be issued a license by a municipality for off-sale of malt liquor produced and packaged on the licensed premises. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the jurisdiction in which the brewer is located, and the malt liquor sold off-sale must be removed from

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the premises before the applicable off-sale closing time at exclusive liquor stores. The malt liquor shall be packaged in 64-ounce containers commonly known as "growlers." The containers shall bear a twist-type closure, cork, stopper, or plug. At the time of the sale, a paper or plastic adhesive band, strip, or sleeve shall be applied to the container and extend over the top of the twist-type closure, cork, stopper, or plug forming a seal that must be broken upon opening of the container. The adhesive band, strip, or sleeve shall bear the name and address of the brewer. The containers shall be identified as malt liquor, contain the name of the malt liquor, bear the name and address of the brewer selling the malt liquor, and shall be considered intoxicating liquor unless the alcoholic content is labeled as otherwise in accordance with the provisions of Minnesota Rules, part 7515.1100. A brewer's total retail sales at on- or off-sale under this paragraph may not exceed 3,500 barrels per year, provided that off-sales may not total more than 50 percent of the brewer's production or 500 barrels, whichever is less. A brewer licensed under subdivision 6, clause (d), may hold or have an interest in other retail on-sale licenses, but may not have an ownership interest in whole or in part, or be an officer, director, agent, or employee of, any other manufacturer, brewer, importer, or wholesaler, or be an affiliate thereof whether the affiliation is corporate or by management, direction, or control. Notwithstanding this prohibition, a brewer licensed under subdivision 6, clause (d), may be an affiliate or subsidiary company of a brewer licensed in Minnesota or elsewhere if that brewer's only manufacture of malt liquor is:

- (i) manufacture licensed under subdivision 6, clause (d);
 - (ii) manufacture in another state for consumption exclusively in a restaurant located in the place of manufacture; or
 - (iii) manufacture in another state for consumption primarily in a restaurant located in or immediately adjacent to the place of manufacture if the brewer was licensed under subdivision 6, clause (d), on January 1, 1995.
- (c) Except as provided in subdivision 7a, no brewer as defined in subdivision 7a or importer may have any interest, in whole or in part, directly or indirectly, in the license, business, assets, or corporate stock of a licensed malt liquor wholesaler.

Sec. 3. Minnesota Statutes 2004, section 340A.404, subdivision 10, is amended to read:

Subd. 10. **TEMPORARY ON-SALE LICENSES.** (a) The governing body of a municipality may issue to (1) a club or charitable, religious, or other nonprofit organization in existence for at least three years, (2) a political committee registered under section 10A.14, or (3) a state university, 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

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the sale of intoxicating liquor except 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.

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

(c) The governing body of a municipality may issue to a brewer who manufactures fewer than 3,500 barrels of malt liquor in a year a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the brewer. The terms and conditions specified for temporary licenses under paragraph (a) shall apply to a license issued under this paragraph, except that the requirements of section 340A.409, subdivisions 1 to 3a, shall apply to the license.

Sec. 4. [340A.910] SEVERABILITY.

In the event that a court of competent jurisdiction holds that any section of this chapter is unconstitutional or otherwise invalid, the invalidity does not affect other provisions or applications of this chapter that can be given effect without the invalid provisions or application, and to this end the provisions of this chapter are severable.

Sec. 5. Laws 2003, chapter 126, section 28, is amended to read:

Sec. 28. ELKO SPEEDWAY; ON-SALE LICENSE.

Notwithstanding Minnesota Statutes, section 340A.404, subdivision 1, the city of Elko may issue an on-sale intoxicating liquor license to the Elko Speedway in addition to the number authorized by law. The license may authorize sales only to persons attending racing events at the speedway. The license authorizes sales on all days of the week. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this provision, apply to the license authorized under this section. The license may be issued for a space that is not compact and contiguous, provided that the licensed premises may include only the space within the fenced grandstand area as described in the approved license application.

Sec. 6. Laws 2003, chapter 126, section 29, is amended to read:

Sec. 29. WINE LICENSES; STATE FAIR.

(a) Notwithstanding Minnesota Statutes, sections 37.21 and 340A.412, subdivision 4, paragraph (a), clause (3), the city of St. Paul Ramsey County may issue a license to the holder of a state fair concessions contract with the state agricultural society which authorizes the licensee to sell Minnesota-produced wine by the glass at the state fair in connection with the sale of food by the concessionaire. All provisions of Minnesota Statutes, chapter 340A, not inconsistent herewith, apply to licenses issued under this section.

(b) For purposes of this section "Minnesota-produced wine" means wine produced by a farm winery licensed under Minnesota Statutes, section 340A.315, and

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made from at least 75 percent Minnesota-grown grapes, grape juice, other fruit bases, other juices, and honey.

Sec. 7. WADE MUNICIPAL STADIUM; LIQUOR LICENSE.

Notwithstanding any other law to the contrary, the city of Duluth may issue an on-sale wine and malt liquor license in addition to the number authorized by law for the premises known as Wade Municipal Stadium for use during baseball games and other events sponsored by the Duluth Huskies. The license may authorize the sale and consumption of wine and malt liquor in the grandstand and dining areas of the stadium. The license authorizes sales on all days of the week.

Sec. 8. CITY OF MINNEAPOLIS; LIQUOR LICENSE.

Notwithstanding any law, ordinance, or charter provision to the contrary, the city of Minneapolis may issue an intoxicating liquor license to an establishment located at 2200 Como Avenue Southeast, which currently holds an on-sale wine license.

Sec. 9. STATE CAPITOL CENTENNIAL EVENTS.

Notwithstanding any other law to the contrary, the city of St. Paul may issue an on-sale wine and malt liquor license to the Capitol 2005 Commission or Friends of the Minnesota State Capitol for special events held in the State Capitol and on the Capitol grounds relating to the centennial anniversary of the Capitol building. The license authorized by this section is valid until January 2, 2006. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the license authorized by this section.

Sec. 10. EFFECTIVE DATE.

Section 1 is effective July 1, 2005. Sections 2 to 4, 6, 7, 8, and 9 are effective the day following final enactment. Section 5 is effective on approval by the Elko City Council and compliance with Minnesota Statutes, section 645.021.

Presented to the governor April 19, 2005

Signed by the governor April 22, 2005, 6:05 a.m.

CHAPTER 26—S.F.No. 392

An act relating to probate; changing and clarifying certain venue, trustee powers, and omitted beneficiary provisions; amending Minnesota Statutes 2004, sections 501B.17; 501B.705, subdivisions 2, 3, 4, 5; 524.2-302.

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

Section 1. Minnesota Statutes 2004, section 501B.17, is amended to read:
501B.17 **VENUE.**

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