

CHAPTER 89—S.F.No. 1070

An act relating to liquor; modifying liquor regulations; authorizing intoxicating liquor licenses; amending Minnesota Statutes 2006, sections 37.21, subdivisions 1, 2; 340A.301, subdivision 7; 340A.315, by adding a subdivision; 340A.404, subdivision 4a; 340A.408, subdivision 3; 340A.412, subdivision 4; 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 2006, section 37.21, subdivision 1, is amended to read:

Subdivision 1. **Liquor prohibited.** No person may sell, barter, give away, or otherwise dispose of or introduce, have, or keep for barter, gift, or sale, any intoxicating liquors of any kind upon ~~or within one-half mile of~~ the State Fairgrounds, or aid and abet any of those acts. The presence and possession of any kind of these liquors, in any quantity, upon the person or upon the premises leased or occupied by any person within these limits is a public nuisance and is prima facie evidence of the purpose of the person to barter, give away, or sell the liquor. Any person who violates this section is guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 2006, section 37.21, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** Notwithstanding subdivision 1, the State Agricultural Society may authorize, under terms and conditions it chooses, the sale, possession, and consumption of intoxicating liquors at special events taking place on the fairgrounds at times other than during the annual fair including, but not limited to, family reunions, class reunions, weddings, conventions, and similar events. This section does not authorize the society to issue retail licenses for the sale of alcoholic beverages. Notwithstanding subdivision 1, the State Agricultural Society may also authorize, under terms and conditions it chooses, consistent with state law, the sale, possession, and consumption of intoxicating malt liquors during the annual fair or at other times of their choosing, provided that at least one Minnesota brewed malt liquor is made available for sale at each allowed location within the grounds.

Sec. 3. Minnesota Statutes 2006, 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 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" or in 750 milliliter bottles. The containers or bottles 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 or bottle 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 or bottle. The adhesive band, strip, or sleeve shall bear the name and address of the brewer. The containers or bottles 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 500 barrels. 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. 4. Minnesota Statutes 2006, section 340A.315, is amended by adding a subdivision to read:

Subd. 6. **On-sale licenses allowed.** Nothing in this section or in any other section of law prevents a farm winery from obtaining a separate on-sale license and operating a business establishment that utilizes that license, in conjunction with and within the physical facilities of the winery and its buildings.

Sec. 5. Minnesota Statutes 2006, section 340A.404, subdivision 4a, is amended to read:

Subd. 4a. **State-owned recreation; entertainment facilities.** Notwithstanding any other law, local ordinance, or charter provision, the commissioner may issue on-sale intoxicating liquor licenses:

(1) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Giants Ridge Recreation Area building or recreational improvement area owned by the state in the town of White, St. Louis County;

(2) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Ironworld Discovery Center building or facility owned by the state at Chisholm; and

(3) to the Board of Regents of the University of Minnesota for events at Northrop Auditorium ~~and in any intercollegiate football stadium constructed by the university on its Minneapolis campus,~~ the intercollegiate football stadium, or at no more than seven other locations within the boundaries of the University of Minnesota, provided that the Board of Regents has approved an application for a license for the specified location.

The commissioner shall charge a fee for licenses issued under this subdivision in an amount comparable to the fee for comparable licenses issued in surrounding cities.

Sec. 6. Minnesota Statutes 2006, section 340A.408, subdivision 3, is amended to read:

Subd. 3. **Intoxicating liquor; off-sale.** (a) The annual license fee for an off-sale intoxicating liquor license issued by a city, when combined with any occupation tax imposed by the city, may not exceed the following limits:

(1) ~~\$1,000~~ \$1,500 for cities of the first class;

(2) \$560 for cities over 10,000 population located outside of the seven-county metropolitan area other than cities of the first class;

~~(2) \$200~~ (3) \$380 for cities over 10,000 population other than cities of the first class or cities described in clause (2);

~~(3) \$150~~ (4) \$310 for cities of between 5,000 and 10,000 population; and

~~(4) \$100~~ (5) \$240 for cities with less than 5,000 population.

(b) The annual license fee for an off-sale intoxicating liquor license issued by a county or town shall not exceed ~~\$500~~ \$800.

(c) The fee set by the jurisdiction issuing the license shall be reduced by \$100 if the following conditions are met:

(1) the licensee agrees to have a private vendor train all employees within 60 days of hire and annually thereafter in laws pertaining to the sale of alcohol, the rules for identification checks, and the responsibilities of establishments serving intoxicating liquors;

(2) the licensee agrees to post a policy requiring identification checks for all persons appearing to be 30 years old or less; and

(3) a cash award and incentive program is established by the licensee, to award employees who catch underage drinkers, and a penalty program is established to punish employees in the event of a failed compliance check.

(d) Population for purposes of this subdivision shall be as determined by the state demographer.

Sec. 7. Minnesota Statutes 2006, section 340A.412, subdivision 4, is amended to read:

Subd. 4. **Licenses prohibited in certain areas.** (a) No license to sell intoxicating liquor may be issued within the following areas:

(1) where restricted against commercial use through zoning ordinances and other proceedings or legal processes regularly had for that purpose, except licenses may be issued to restaurants in areas which were restricted against commercial uses after the establishment of the restaurant;

(2) within the Capitol or on the Capitol grounds, except as provided under Laws 1983, chapter 259, section 9, or Laws 1999, chapter 202, section 13;

~~(3) on the State Fairgrounds or at any place in a city of the first class within one-half mile of the fairgrounds, except as otherwise provided by charter;~~

~~(4) on the campus of the College of Agriculture of the University of Minnesota or at any place in a city of the first class within one-half mile of the campus, provided that a city may issue one on-sale wine license and one off-sale intoxicating liquor license in this area that is not included in the area described in clause (3), except as provided by charter;~~

~~(5) within 1,000 feet of a state hospital, training school, reformatory, prison, or other institution under the supervision or control, in whole or in part, of the commissioner of human services or the commissioner of corrections;~~

~~(6) (5) in a town or municipality in which a majority of votes at the last election at which the question of license was voted upon were not in favor of license under section 340A.416, or within one-half mile of any such town or municipality, except that intoxicating liquor manufactured within this radius may be sold to be consumed outside it;~~

~~(7) at any place on the east side of the Mississippi River within one-tenth of a mile of the main building of the University of Minnesota unless (i) the licensed establishment is on property owned or operated by a nonprofit corporation organized prior to January 1, 1940, for and by former students of the University of Minnesota, or (ii) the licensed premises is Northrop Auditorium;~~

~~(8) (6) within 1,500 feet of a state university, except that:~~

~~(i) the minimum distance in the case of Winona and Southwest State University is 1,200 feet, measured by a direct line from the nearest corner of the administration building to the main entrance of the licensed establishment;~~

~~(ii) within 1,500 feet of St. Cloud State University one on-sale wine and two off-sale intoxicating liquor licenses may be issued, measured by a direct line from the nearest corner of the administration building to the main entrance of the licensed establishment;~~

~~(iii) at Mankato State University the distance is measured from the front door of the student union of the Highland campus;~~

~~(iv) a temporary license under section 340A.404, subdivision 10, may be issued to a location on the grounds of a state university for an event sponsored or approved by the state university; and~~

(v) this restriction does not apply to the area surrounding the premises of Metropolitan State University in Minneapolis; and

~~(7)~~ (7) within 1,500 feet of any public school that is not within a city.

(b) The restrictions of this subdivision do not apply to a manufacturer or wholesaler of intoxicating liquor or to a drugstore or to a person who had a license originally issued lawfully prior to July 1, 1967.

Sec. 8. **[340A.707] AUCTION OR RAFFLE FOR CHARITABLE PURPOSES.**

Notwithstanding sections 340A.401, 340A.414, and 340A.505, a nonprofit organization conducting a silent auction, raffle, or other fund raising event may conduct live, on premises auctions or raffles of wine, beer, or intoxicating liquors, provided that funds from the auction or raffle are dedicated to the charitable purposes of the nonprofit organization, such auctions or raffles are limited to not more than six occasions per year, and the alcohol may only be auctioned or raffled to persons who demonstrate that they are 21 years of age or older and do not show signs of obvious intoxication. Nothing in this section authorizes on premises consumption of alcohol.

Sec. 9. **ST. PAUL; LIQUOR LICENSE.**

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, paragraph (a), or any other law, the city of St. Paul may issue an on-sale intoxicating liquor license to a restaurant located at 374-378 Maria Avenue North. The provisions of Minnesota Statutes, chapter 340A, apply to licenses issued under this section.

Presented to the governor May 16, 2007

Signed by the governor May 18, 2007, 9:10 p.m.