

**CHAPTER 42—S.F.No. 541**

*An act relating to liquor; regulating alcohol sales and distribution; authorizing and modifying various licenses; amending Minnesota Statutes 2012, sections 340A.301, subdivisions 6b, 6c, 7, 7a, by adding a subdivision; 340A.4042; 340A.418; Laws 1999, chapter 202, section 13; Laws 2012, chapter 235, section 8.*

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

Section 1. Minnesota Statutes 2012, section 340A.301, subdivision 6b, is amended to read:

Subd. 6b. **Brewer taproom license.** (a) A municipality, including a city with a municipal liquor store, may issue the holder of a brewer's license under subdivision 6, clause (c), (i), or (j), a brewer taproom license. A brewer taproom license authorizes on-sale of malt liquor produced by the brewer for consumption on the premises of or adjacent to one brewery location owned by the brewer. Nothing in this subdivision precludes the holder of a brewer taproom license from also holding a license to operate a restaurant at the brewery. Section 340A.409 shall apply to a license issued under this subdivision. All provisions of this chapter that apply to a retail liquor license shall apply to a license issued under this subdivision unless the provision is explicitly inconsistent with this subdivision.

(b) A brewer may only have one taproom license under this subdivision, and may not have an ownership interest in a brewery licensed under subdivision 6, clause (d).

(c) A municipality may not issue a brewer taproom license to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than 250,000 barrels of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.

(d) The municipality shall impose a licensing fee on a brewer holding a brewer taproom license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 2, paragraph (a).

(e) A municipality shall, within ten days of the issuance of a license under this subdivision, inform the commissioner of the licensee's name and address and trade name, and the effective date and expiration date of the license. The municipality shall also inform the commissioner of a license transfer, cancellation, suspension, or revocation during the license period.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2012, section 340A.301, subdivision 6c, is amended to read:

Subd. 6c. **Microdistillery fee Microdistilleries.** (a) A microdistillery may provide on its premises samples of distilled spirits manufactured on its premises, in an amount not to exceed 15 milliliters per variety per person. No more than 45 milliliters may be sampled under this paragraph by any person on any day.

(b) The commissioner shall establish a fee for licensing microdistilleries that adequately covers the cost of issuing the license and other inspection requirements. The fees shall be deposited in an account in the special revenue fund and are appropriated to the commissioner for the purposes of this subdivision.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2012, section 340A.301, is amended by adding a subdivision to read:

**Subd. 6d. Small brewer license.** (a) A brewer licensed under subdivision 6, clause (c), (i), or (j), may be issued a license by a municipality for off-sale of malt liquor at its licensed premises that has been produced and packaged by the brewer. The license must be approved by the commissioner. The amount of malt liquor sold at off-sale may not exceed 500 barrels annually. 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 packed 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 extended 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.

(b) A brewer may only have one license under this subdivision.

(c) A municipality may not issue a license under this subdivision to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than 20,000 barrels of its own brands of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.

(d) The municipality shall impose a licensing fee on a brewer holding a license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 3, paragraph (a).

Sec. 4. Minnesota Statutes 2012, 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. 5. Minnesota Statutes 2012, section 340A.301, subdivision 7a, is amended to read:

**Subd. 7a. Permitted interests in wholesale business.** (a) A brewer may financially assist a wholesaler of malt liquor through participation in a limited partnership in which the brewer is the limited partner and the wholesaler is the general partner. A limited partnership authorized in this paragraph may not exist for more than ten years from the date of its creation, and may not, directly or indirectly, be recreated, renewed, or extended beyond that date.

(b) A brewer may financially assist a malt liquor wholesaler and collateralize the financing by taking a security interest in the inventory and assets, other than the corporate stock, of the wholesaler. A financial agreement authorized by this paragraph may not be in effect for more than ten years from the date of its creation and may not be directly or indirectly extended or renewed.

(c) A brewer who, after creation of a financial agreement authorized by paragraph (b), or after creation of a limited partnership authorized in paragraph (a), acquires legal or equitable title to the wholesaler's business which was the subject of the agreement or limited partnership, or to the business assets, must divest the business or its assets within two years of the date of acquiring them. A malt liquor wholesaler whose business or assets are acquired by a brewer as described in this paragraph may not enter into another such financial agreement, or participate in another such limited partnership, for 20 years from the date of the acquisition of the business or assets.

(d) A brewer may have an interest in the business, assets, or corporate stock of a malt liquor wholesaler as a result of (1) a judgment against the wholesaler arising out of a default by the wholesaler or (2) acquisition of title to the business, assets, or corporate stock as a result of a written request of the wholesaler. A brewer may maintain ownership of or an interest in the business, assets, or corporate stock under this paragraph for not more than two years and only for the purpose of facilitating an orderly transfer of the business to an owner not affiliated with the brewer.

(e) A brewer may continue to maintain an ownership interest in a malt liquor wholesaler if it owned the interest on January 1, 1991.

(f) A brewer that was legally selling the brewer's own products at wholesale in Minnesota on January 1, 1991, may continue to sell those products at wholesale in the area where it was selling those products on that date.

(g) A brewer that ~~manufactures malt liquor in Minnesota may, if the brewer does not manufacture in Minnesota in any year~~ manufactures no more than 25,000 20,000 barrels of malt liquor or its metric equivalent; in a calendar year may own or have an interest in a malt liquor wholesaler that sells only the brewer's products, provided that a brewer that manufactures between 20,000 and 25,000 barrels in any calendar year shall be permitted to continue to own or have an interest in a malt liquor wholesaler that sells only the brewer's products if: (1) that malt liquor wholesaler distributes no more than 20,000 barrels per calendar year; and (2) the brewer has not manufactured 25,000 barrels in any calendar year. Notwithstanding the foregoing, a brewer that manufactured between 20,000 and 25,000 barrels in 2012 shall be permitted to continue to own or have an interest in a malt liquor wholesaler that sells only the brewer's products until that brewer manufactures 25,000 barrels in a calendar year.

(h) When the commissioner issues a license to a malt liquor wholesaler described in paragraph (a) or (b), the commissioner may issue the license only to the entity which is actually operating the wholesale business and may not issue the license to a brewer that is a limited partner under paragraph (a) or providing financial assistance under paragraph (b) unless the brewer has acquired a wholesaler's business or assets under paragraph (c) or (d).

(i) For purposes of this subdivision and subdivision 7, clause (c), "brewer" means:

- (1) a holder of a license to manufacture malt liquor;
- (2) an officer, director, agent, or employee of such a license holder; and
- (3) an affiliate of such a license holder, regardless of whether the affiliation is corporate or by management, direction, or control.

Sec. 6. Minnesota Statutes 2012, section 340A.4042, is amended to read:

**340A.4042 WINE OR MALT LIQUOR EDUCATOR; ON-SALE LICENSE.**

Subdivision 1. Wine educator license. The commissioner may issue an on-sale license to a person meeting the requirements specified in sections 340A.402 and 340A.409, at an annual cost of \$250 per license to a wine educator and \$50 per permit for each employee of the wine educator that will be pouring wine, under the following conditions:

(1) the license may be used to purchase wine at retail and serve wine for educational purposes in any part of the state, unless a political subdivision adopts an ordinance prohibiting wine education;

(2) all events conducted pursuant to this license must be conducted through advance registration, and no walk-in access to the general public is permitted;

(3) licensees must possess certification that is satisfactory to the commissioner, including, but not limited to, a certified specialist of wine or certified wine educator status as conferred by the Society of Wine Educators, a Wine and Spirits Education Trust Diploma, status as a certified sommelier, or the completion of a wine industry program at a technical college or culinary school. A wine educator must also complete Training for Intervention Procedures (TIPS) or other certified alcohol training programs and have a valid certificate on file with the commissioner;

(4) a license holder shall not sell alcohol for off-premises consumption and no orders may be taken for future sales;

(5) classes shall not be conducted at retail businesses that do not have a liquor license during business hours; and

(6) prior to providing a class authorized under this section, the licensee shall notify the police chief of the city where the class will take place, if the event will take place within the corporate limits of a city. If the city has no police department, the licensee shall notify the city's clerk. If the class will take place outside the corporate limits of any city, the licensee shall notify the sheriff of the county where the class will take place.

Subd. 2. **Malt liquor educator license.** The commissioner may issue an on-sale license to a person meeting the requirements specified in sections 340A.402 and 340A.409, at an annual cost of \$250 per license to a malt liquor educator and \$50 per permit for each employee of the malt liquor educator that will be pouring malt liquor, under the following conditions:

(1) the license may be used to purchase malt liquor at retail and serve malt liquor for educational purposes in any part of the state, unless a political subdivision adopts an ordinance prohibiting malt liquor education;

(2) all events conducted pursuant to this license must be conducted through advance registration, and no walk-in access to the general public is permitted;

(3) licensees must possess certification that is satisfactory to the commissioner, including, but not limited to, certification as a cicerone, completion of coursework from the Master Brewer's Association of America, or other brewer or brewing certification program acceptable to the commissioner. A malt liquor educator must also complete Training for Intervention Procedures (TIPS) or other certified alcohol training programs and have a valid certificate on file with the commissioner;

(4) a license holder shall not sell alcohol for off-premises consumption and no orders may be taken for future sales;

(5) classes shall not be conducted at retail businesses that do not have a liquor license during business hours; and

(6) prior to providing a class authorized under this section, the licensee shall notify the police chief of the city where the class will take place, if the event will take place within the corporate limits of a city. If the city has no police department, the licensee shall notify the city's clerk. If the class will take place outside the corporate limits of any city, the licensee shall notify the sheriff of the county where the class will take place.

**EFFECTIVE DATE.** This section is effective on July 1, 2013.

Sec. 7. Minnesota Statutes 2012, section 340A.418, is amended to read:

**340A.418 WINE ALCOHOLIC BEVERAGE TASTINGS.**

Subdivision 1. **Definition.** For purposes of this section, a an "wine alcoholic beverage tasting" is or "tasting" means an event at which persons pay a fee or donation to participate, and are allowed to consume wine, malt liquor, or both, by the glass without paying a separate charge for each glass.

Subd. 2. **Tastings authorized.** (a) A charitable, religious, or other nonprofit organization may conduct a wine tasting of not more than four hours duration 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 or malt liquor at a ~~wine~~ tasting under this section may be sold, or orders taken, for off-premises consumption.

(d) Notwithstanding any other law, an organization may purchase or otherwise obtain wine or malt liquor for a ~~wine~~ tasting conducted under this section from a wholesaler licensed to sell wine or malt liquor, and the wholesaler may sell or give wine or malt liquor 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 or malt liquor to an organization for a ~~wine~~ tasting under this section must deliver the wine or malt liquor 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.

(f) The four-hour limitation specified in paragraph (a) shall not apply to a ~~wine~~ tasting at a convention of fine wine, malt liquor, and gourmet food exhibitors, provided the convention has at least 100 exhibitors and takes place over not more than three days.

**EFFECTIVE DATE.** This section is effective on July 1, 2013.

Sec. 8. Laws 1999, chapter 202, section 13, is amended to read:

Sec. 13. **CITY OF ST. PAUL; LICENSES AUTHORIZED.**

(a) The city of St. Paul may issue temporary intoxicating liquor licenses under Minnesota Statutes, section 340A.404, subdivision 10, to Macalester college for the Macalester Scottish fair, Springfest, and for the annual alumni reunion weekend without regard to the limitation in Minnesota Statutes, section 340A.410, subdivision 10, paragraph (b).

(b) Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St. Paul may issue a temporary on-sale intoxicating liquor license to ~~Twin Cities Marathon, Inc~~ Twin Cities in Motion, or its successor organization, if any. The license may authorize only the sale of intoxicating malt liquor and 3.2 percent malt liquor on the grounds of the state capitol on the day of the Twin Cities Marathon. The intoxicating malt liquor and 3.2 percent malt liquor must be produced by a Minnesota brewery. All provisions of Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section, apply to the license authorized by this section.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 9. Laws 2012, chapter 235, section 8, the effective date, is amended to read:

**EFFECTIVE DATE; SUNSET.** This section is effective upon approval by the Winnebago City Council and compliance with Minnesota Statutes, section 645.021, and expires on December 31, ~~2012~~ 2013.

**EFFECTIVE DATE.** This section is effective upon approval by the Winnebago City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 10. **LOWERTOWN REGIONAL BALLPARK; ON-SALE LICENSE.**

Notwithstanding Minnesota Statutes, section 340A.404, subdivision 1, or any other law to the contrary, the city of Saint Paul may issue an on-sale intoxicating liquor license to the St. Paul Saints Baseball Club, Inc., or such other entity affiliated with it that may operate food and beverage concessions at the ballpark, in addition to the number authorized by law. The license may authorize sales both to persons attending any and all events, and sales in a restaurant, bar, or banquet facility at the ballpark. The license authorizes sales on all days of the week. Sales at the ballpark must comply with Minnesota Statutes, section 340A.909. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license 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 ballpark or on ballpark premises or grounds, as described in the approved license application.

**EFFECTIVE DATE.** This section is effective upon approval by the Saint Paul City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 11. **SAKE OFF-SALE; CLARIFICATION.**

(a) Notwithstanding any law, ordinance, or charter provision to the contrary, a licensed brewery producing sake under authority of Minnesota Statutes, section 340A.301, subdivision 6, paragraph (d), as of the effective date of this act, may, with the approval of the commissioner of public safety, be issued a license by the city of Minneapolis for off-sale of sake produced and packaged on the licensed premises. The sake shall be packaged in a substantially similar manner to that required for off-sales under Minnesota Statutes, section 340A.301, subdivision 7, paragraph (b). Off-sale of sake shall be limited to the legal hours for off-sale at exclusive liquor stores in the city of Minneapolis and the sake sold at off-sale must be removed from the premises before the off-sale closing time at exclusive liquor stores.

(b) This section is effective upon approval by the Minneapolis City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 12. **VALLEY FAIR; ON-SALE LICENSE.**

Notwithstanding Minnesota Statutes, section 340A.404, subdivision 1, or any other law to the contrary, the city of Shakopee may issue an on-sale intoxicating liquor license to Cedar Fair Entertainment Co., dba Valley Fair, in addition to the number authorized by law. The license may authorize sales both to persons attending any and all events, and sales in a restaurant, bar, or banquet facility at Valley Fair. The license authorizes sales on all days of the week. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license 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 park as described in the approved license application.

**EFFECTIVE DATE.** This section is effective upon approval by the Shakopee City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 13. **CITY OF ST. PAUL; INTOXICATING MALT LIQUOR.**

Notwithstanding any other requirements under Minnesota Statutes, section 340A.404, subdivision 5, the city of St. Paul may authorize a holder of an on-sale wine license issued pursuant to Minnesota Statutes, section 340A.404, subdivision 5, who is also licensed to sell 3.2 percent malt liquors at on-sale pursuant

to Minnesota Statutes, section 340A.411, to sell intoxicating malt liquors at on-sale without an additional license.

**EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 14. **CITY OF MINNEAPOLIS; INTOXICATING MALT LIQUOR.**

Notwithstanding any other requirements under Minnesota Statutes, section 340A.404, subdivision 5, the city of Minneapolis may authorize a holder of an on-sale wine license issued pursuant to Minnesota Statutes, section 340A.404, subdivision 5, who is also licensed to sell 3.2 percent malt liquors at on-sale pursuant to Minnesota Statutes, section 340A.411, to sell intoxicating malt liquors at on-sale without an additional license.

**EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis City Council, and compliance with Minnesota Statutes, section 645.021.

Sec. 15. **WHEELER FIELD; 3.2 MALT LIQUOR LICENSE.**

Notwithstanding any law or ordinance to the contrary, the city of Duluth may issue an on-sale intoxicating liquor license for the premises known as Wheeler Field in addition to the number authorized by law. The license may authorize sales to persons attending softball games and other athletic events held at the premises. The license may authorize the sale and consumption of 3.2 malt liquor at the concession stand and approved dining area of the premises. The license may be issued to the city or to a person or corporation under contract or agreement with the city. The license authorizes sales on all days of the week. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the license under this section.

**EFFECTIVE DATE.** This section is effective upon approval by the Duluth City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 16. **CARLTON COUNTY; ON-SALE.**

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, clause (7), Carlton County, in accordance with Minnesota Statutes, section 340A.410, subdivision 1, may issue an on-sale wine license to a restaurant located at 3 Highway 61 East, in the town of Thomson. The license authorizes sales on all days of the week.

**EFFECTIVE DATE.** This section is effective upon approval by the Carlton County board and in compliance with Minnesota Statutes, section 645.021.

Presented to the governor May 3, 2013

Signed by the governor May 7, 2013, 10:47 a.m.