

CHAPTER 240--S.F.No. 2336

An act relating to regulated industries; providing for sale, storage, and other regulations of liquor; authorizing, modifying, and establishing various liquor licenses; providing for lawful gambling fraud; amending Minnesota Statutes 2012, sections 297G.07, subdivision 1; 340A.101, by adding subdivisions; 340A.301, subdivision 9; 340A.315, subdivision 2, by adding subdivisions; 340A.316; 340A.404, subdivisions 2, 5; 340A.415; 340A.508, by adding a subdivision; 340A.510, subdivision 2; 609.763; Minnesota Statutes 2013 Supplement, section 340A.301, subdivisions 6b, 6c, 6d, 7; proposing coding for new law in Minnesota Statutes, chapters 297G; 340A; repealing Laws 2012, chapter 235, section 11.

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

Section 1. **[297G.031] FARM WINERY.**

Farm wineries licensed under section 340A.315 shall be treated as wholesalers for the excise tax imposed on certain wines. Tax payments and returns are required in relation to samples given and in relation to the sale of wine on the farm winery premises permitted under chapter 340A. Returns must be made in a form and manner prescribed by the commissioner, and must contain any other information required by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 2. Minnesota Statutes 2012, section 297G.07, subdivision 1, is amended to read:

Subdivision 1. **Exemptions.** The following are not subject to the excise tax:

- (1) Sales by a manufacturer, brewer, or wholesaler for shipment outside the state in interstate commerce.
- (2) Alcoholic beverages sold or transferred between Minnesota wholesalers.
- (3) Sales to common carriers engaged in interstate transportation of passengers, except as provided in this chapter.
- (4) Malt beverages served by a brewery for on-premise consumption at no charge, or distributed to brewery employees for on-premise consumption under a labor contract.
- (5) Shipments of wine to Minnesota residents under section 340A.417.
- (6) Fruit juices naturally fermented or beer naturally brewed in the home for family use and not sold or offered for sale.
- (7) Sales of wine for sacramental purposes under section 340A.316.
- (8) Alcoholic beverages sold to authorized manufacturers of food products or pharmaceutical firms. The alcoholic beverage must be used exclusively in the manufacture of food products or medicines. For purposes of this clause, "manufacturer" means a person who manufactures food products intended for sale to wholesalers or retailers for ultimate sale to the consumer.

(9) Liqueur-filled candy.

(10) Sales to a federal agency, that the state of Minnesota is prohibited from taxing under the Constitution or laws of the United States or under the Constitution of Minnesota.

(11) Sales to Indian tribes as defined in section 297G.08.

(12) Shipments of intoxicating liquor from foreign countries to diplomatic personnel of foreign countries assigned to service in this state.

(13) Shipments of bulk distilled spirits or bulk wine to farm wineries licensed under section 340A.315 for input to the final product.

EFFECTIVE DATE. The amendment to clause (6) is effective the day following final enactment. Clause (13) is effective July 1, 2014.

Sec. 3. Minnesota Statutes 2012, section 340A.101, is amended by adding a subdivision to read:

Subd. 4a. **Bulk distilled spirits.** "Bulk distilled spirits" means distilled spirits in a container having a capacity in excess of one gallon.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 4. Minnesota Statutes 2012, section 340A.101, is amended by adding a subdivision to read:

Subd. 4b. **Bulk wine.** "Bulk wine" means wine in a container having a capacity of five or more gallons.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 5. **[340A.22] MICRODISTILLERIES.**

Subdivision 1. **Activities.** (a) A microdistillery licensed under section 340A.301, subdivision 6c, 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) A microdistillery can sell cocktails to the public, pursuant to subdivision 2.

Subd. 2. **Cocktail room license.** (a) A municipality, including a city with a municipal liquor store, may issue the holder of a microdistillery license under section 340A.301, subdivision 6c, a microdistillery cocktail room license. A microdistillery cocktail room license authorizes on-sale of distilled liquor produced by the distiller for consumption on the premises of or adjacent to one distillery location owned by the distiller. Nothing in this subdivision precludes the holder of a microdistillery cocktail room license from also holding a license to operate a restaurant at the distillery. 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 distiller may only have one cocktail room license under this subdivision, and may not have an ownership interest in a distillery licensed under section 340A.301, subdivision 6, paragraph (a).

(c) The municipality shall impose a licensing fee on a distiller holding a microdistillery cocktail room license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 2, paragraph (a).

(d) 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.

(e) No single entity may hold both a cocktail room and taproom license, and a cocktail room and taproom may not be co-located.

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

Sec. 6. Minnesota Statutes 2013 Supplement, 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.

(f) Notwithstanding section 340A.504, subdivision 3, a taproom may be open and may conduct on-sale business on Sundays if authorized by the municipality.

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

Sec. 7. Minnesota Statutes 2013 Supplement, section 340A.301, subdivision 6c, is amended to read:

Subd. 6c. **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. 8. Minnesota Statutes 2013 Supplement, section 340A.301, subdivision 6d, is amended 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, but is not required to, refill any growler with malt liquor for off-sale at the request of a customer. A brewer refilling a growler must do so at its licensed premises and the growler must be filled at the tap at the time of sale. A growler refilled under this paragraph must be sealed and labeled in the manner described in paragraph (a).

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

~~(e)~~ (d) 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)~~ (e) 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).

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

Sec. 9. Minnesota Statutes 2013 Supplement, 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 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 may, but is not required to, refill any growler with malt liquor for off-sale at the request of a customer. A brewer refilling a growler must do so at its licensed premises and the growler must be filled at the tap at the time of sale. A growler refilled under this paragraph must be sealed and labeled in the manner described in this paragraph. 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.

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

Sec. 10. Minnesota Statutes 2012, section 340A.301, subdivision 9, is amended to read:

Subd. 9. **Unlicensed manufacture.** (a) Nothing in this chapter requires a license for the natural fermentation of fruit juices or brewing of beer in the home for family use.

(b) Naturally fermented fruit juices or beer made under this subdivision may be removed from the premises where made for use at organized affairs, exhibitions, or competitions, including, but not limited to, homemaker's contests, tastings, or judging.

(c) For purposes of this subdivision, "tastings" means an event where the general public may sample unlicensed naturally fermented fruit juices or beer.

(d) Beverages produced pursuant to this subdivision may be sampled or used in tastings provided that the beverage is made and transported in containers and equipment that shall not allow the migration of toxic substances.

(e) Public notice meeting the requirements of this paragraph must be given in writing or signage at any tasting. The notice shall include disclosure that the unlicensed naturally fermented fruit juices or beer being offered is homemade and not subject to state inspection, and may be consumed by persons over the age of 21 at their own risk. The notice must include the name and address of the person who processed and bottled the beverage.

(f) Naturally fermented fruit juices or beer removed under this subdivision may not be sold or offered for sale.

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

Sec. 11. Minnesota Statutes 2012, section 340A.315, subdivision 2, is amended to read:

Subd. 2. **Sales.** A license authorizes the sale, on the farm winery premises, of table, sparkling, or fortified wines produced by that farm winery at on-sale or off-sale, in retail, or wholesale lots in total quantities not in excess of ~~50,000~~ 75,000 gallons in a calendar year, glassware, wine literature and accessories, cheese and cheese spreads, other wine-related food items, and the dispensing of free samples of the wines offered for sale. Sales at on-sale and off-sale may be made on Sundays between 10:00 a.m. and 12:00 midnight. Labels for each type or brand produced must be registered with the commissioner, without fee prior to sale. A farm winery may provide samples of distilled spirits manufactured pursuant to subdivision 7, on the farm winery premises, but may sell the distilled spirits only through a licensed wholesaler. Samples of distilled spirits may not exceed 15 milliliters per variety.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 12. Minnesota Statutes 2012, section 340A.315, is amended by adding a subdivision to read:

Subd. 10. **Storage.** A farm winery may store finished wine and distilled spirits in a noncontiguous warehouse location, provided that the chosen location complies with Minnesota Rules, part 7515.0300, subpart 12, and any other state or federal requirements. Cartage of finished goods between the farm winery and warehouse must be continuously in the possession of a motor carrier of property as defined in section 221.012, subdivision 27, or carried in a motor vehicle owned, leased, or rented by the farm winery.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 13. Minnesota Statutes 2012, section 340A.315, is amended by adding a subdivision to read:

Subd. 11. **Bulk wine or distilled spirits.** If no wholesaler is able to provide bulk wine or bulk distilled spirits, a farm winery may purchase either bulk wine or bulk distilled spirits for purposes allowed under this chapter from any available source allowed under federal law.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 14. Minnesota Statutes 2012, section 340A.316, is amended to read:

340A.316 SACRAMENTAL WINE.

The commissioner may issue a license to a bona fide religious book or supply store for the importation and sale of wine exclusively for sacramental purposes. The holder of a sacramental wine license may sell wine intended by the manufacturer or the wholesaler for sacramental purposes only to a rabbi, priest, or minister of a church, or other established religious organization, if the purchaser certifies in writing that the wine will be used exclusively for sacramental purposes in religious ceremonies. The annual fee for a sacramental wine license is \$50, inclusive of a retail card required under Minnesota Rules, part 7515.0210. A seller of sacramental wine does not need insurance required under section 340A.409. A rabbi, priest, or minister of a church or other established religious organization may import wine exclusively for sacramental purposes without a license.

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

Sec. 15. Minnesota Statutes 2012, section 340A.404, subdivision 2, is amended to read:

Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, ~~and to the American Swedish Institute for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South,~~ notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale

malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

(g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering operator at the building owned and operated by the University Gateway Corporation on the University of Minnesota campus, notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker Art Center's concessionaire or operator, for a restaurant and catering operator on the premises of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter provisions. The license authorizes sales on all days of the week.

(i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater's concessionaire or operator for a restaurant and catering operator on the premises of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter provisions. The license authorizes sales on all days of the week.

(j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator for a restaurant and catering operator on the premises of the Minnesota Book and Literary Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter provision.

(l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum of Russian Art's concessionaire or operator for a restaurant and catering operator on the premises of the Museum of Russian Art located at 5500 Stevens Avenue South, notwithstanding any law or local ordinance or charter provision.

(m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Swedish Institute or to its concessionaire or operator for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(n) Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions or catering contract with the Minneapolis

Institute of Arts for use on the premises of the Minneapolis Institute of Arts. The licenses authorized by this subdivision may be issued for space that is not compact and contiguous, provided that all such space is included in the description of the licensed premises on the approved license application. The licenses authorize sales on all days of the week.

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

Sec. 16. Minnesota Statutes 2012, section 340A.404, subdivision 5, is amended to read:

Subd. 5. **Wine licenses.** (a) A municipality may issue an on-sale wine license with the approval of the commissioner to a restaurant having facilities for seating at least 25 guests at one time. A wine license permits the sale of wine of up to ~~14~~ 24 percent alcohol by volume for consumption ~~with the sale of food.~~ A wine license authorizes the sale of wine on all days of the week unless the issuing authority restricts the license's authorization to the sale of wine on all days except Sundays.

(b) The governing body of a municipality may by ordinance authorize a holder of an on-sale wine license issued pursuant to paragraph (a) who is also licensed to sell 3.2 percent malt liquors at on-sale pursuant to section 340A.411, ~~and whose gross receipts are at least 60 percent attributable to the sale of food;~~ to sell intoxicating malt liquors at on-sale without an additional license.

(c) A municipality may issue an on-sale wine license with the approval of the commissioner to a licensed bed and breakfast facility. A license under this paragraph authorizes a bed and breakfast facility to furnish wine only to registered guests of the facility and, if the facility contains a licensed commercial kitchen, also to guests attending private events at the facility.

(d) The State Agricultural Society may issue an on-sale wine license to the holder of a state fair concession contract pursuant to section 37.21, subdivision 2.

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

Sec. 17. Minnesota Statutes 2012, section 340A.415, is amended to read:

340A.415 LICENSE REVOCATION OR SUSPENSION; CIVIL PENALTY.

On a finding that the license or permit holder has (1) sold alcoholic beverages to another retail licensee for the purpose of resale, (2) purchased alcoholic beverages from another retail licensee for the purpose of resale, (3) conducted or permitted the conduct of gambling on the licensed premises in violation of the law, (4) failed to remove or dispose of alcoholic beverages when ordered by the commissioner to do so under section 340A.508, subdivision 3, or (5) failed to comply with an applicable statute, rule, or ordinance relating to alcoholic beverages, or the operation of the licensed establishment, or failed to comply with a lawful license condition duly imposed by the authority issuing the license or permit or agreed to by the license or permit holder, the commissioner or the authority issuing a retail license or permit under this chapter may revoke the license or permit, suspend the license or permit for up to 60 days, impose a civil penalty of up to \$2,000 for each violation, or impose any combination of these sanctions. No suspension or revocation takes effect until the license or permit holder has been given an opportunity for a hearing under sections 14.57 to 14.69 of the Administrative Procedure Act. This section does not require a political subdivision to conduct the hearing before an employee of the Office of Administrative Hearings. Imposition of a penalty or suspension by either the issuing authority or the commissioner does not preclude imposition of an additional penalty or suspension by the other so long as the total penalty or suspension does not exceed the stated

maximum. Nothing in this section shall be construed to limit the applicability of section 340A.509, except that a local authority may not charge a penalty greater than that allowed in this section.

Sec. 18. Minnesota Statutes 2012, section 340A.508, is amended by adding a subdivision to read:

Subd. 5. **Mixed drinks or cocktails.** Mixed drinks or cocktails mixed on the premises that are not for immediate consumption may be consumed on the licensed premises subject to the requirements of this subdivision. For purposes of this subdivision, a "mixed drink" includes drinks commonly referred to as cocktails, and "infused beverages" are alcoholic beverages flavored through infusion with added ingredients. This subdivision requires that:

(1) the mixed drinks or cocktails be stored, for no longer than 72 hours, in a labeled container in a quantity that does not exceed five gallons;

(2) infused beverages may be stored in containers in a quantity not to exceed five gallons;

(3) added flavors and other nonbeverage ingredients included in the mixed drinks or infused beverages shall not include hallucinogenic substances or added pure or supplemental caffeine or other added stimulants including but not limited to guarana, ginseng, and taurine; and

(4) the licensee keep records as to when the contents in a particular container were mixed and the recipe, including brand names, used for that mixture.

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

Sec. 19. Minnesota Statutes 2012, section 340A.510, subdivision 2, is amended to read:

Subd. 2. **Malt liquor samples authorized.** (a) Notwithstanding section 340A.308, a brewer may purchase from or furnish at no cost to a licensed retailer malt liquor the brewer manufactures if:

(1) the malt liquor is dispensed by the retailer only for samples in a quantity of less than 100 milliliters of malt liquor per variety per customer;

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

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

(4) not more than three cases of malt liquor are purchased from or furnished to the retailer by the brewer for each sampling;

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

(6) the brewer has furnished malt liquor for not more than ~~five~~ 12 samplings for any retailer in any calendar year;

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

(8) the brewer has at least seven days before the sampling filed with the commissioner, on a form the commissioner prescribes, written notice of intent to furnish malt liquor for the sampling, which contains

(i) the name and address of the retailer conducting the sampling, (ii) the maximum amount of malt liquor to be furnished or purchased by the brewer, (iii) the number of times the brewer has furnished malt liquor to the retailer in the calendar year in which the notice is filed, (iv) the date and time of the sampling, (v) where the brewer furnishes the malt liquor, the exclusive wholesaler to whom the brewer will deliver the malt liquor, and (vi) a statement by the brewer to the effect that to the brewer's knowledge all requirements of this section have been or will be complied with; and

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

(b) For purposes of this subdivision, "licensed retailer" means a licensed on-sale or off-sale retailer of alcoholic beverages and a municipal liquor store.

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

Sec. 20. Minnesota Statutes 2012, section 609.763, is amended to read:

609.763 LAWFUL GAMBLING FRAUD.

Subdivision 1. **Crime.** A person is guilty of a crime and may be sentenced as provided in subdivision 2 if the person does any of the following:

(1) knowingly claims a lawful gambling prize using altered or counterfeited gambling equipment;

(2) knowingly claims a lawful gambling prize by means of fraud, deceit, or misrepresentation;

(3) manipulates any form of lawful gambling or tampers with any gambling equipment with intent to influence the outcome of a game or the receipt of a prize; or

(4) knowingly tampers with or attempts to alter any component or device used in the conduct or play of electronic pull-tabs or electronic linked bingo as authorized under chapter 349 or attempts to convert legal gambling into illegal gambling at an establishment licensed under chapter 340A;

(5) has unauthorized possession of an electronic pull-tab device, an electronic linked bingo device, or other component used in the conduct of electronic pull-tabs or electronic linked bingo as authorized under chapter 349; or

~~(4)~~ (6) knowingly places or uses false information on a prize receipt or on any other form approved for use by the Gambling Control Board or the Alcohol and Gambling Enforcement Division of the Department of Public Safety.

Subd. 2. **Penalty.** A person who violates subdivision 1 may be sentenced as follows:

(1) if the dollar amount involved is \$500 or less, the person is guilty of a misdemeanor;

(2) if the dollar amount involved is more than \$500 but not more than \$2,500, the person is guilty of a gross misdemeanor; and

(3) if the dollar amount involved is more than \$2,500, the person is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$6,000, or both.

Subd. 3. **Aggregation; jurisdiction.** In a prosecution under this section, the dollar amounts involved in violation of subdivision 1 within any 12-month period may be aggregated and the defendant charged accordingly. When two or more offenses are committed by the same person in two or more counties, the defendant may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this subdivision.

Sec. 21. **BROOKLYN PARK.**

Notwithstanding any law or ordinance to the contrary, the city of Brooklyn Park may issue an on-sale intoxicating liquor license to a wedding event center located at 9500 West River Road North. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section.

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

Sec. 22. **CITY OF RICHFIELD; ON-SALE LICENSE.**

Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Richfield may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a junior hockey league team or to a person holding a concessions or management contract with the city or the team owner, for beverage sales at the Richfield Ice Arena. The licenses must authorize the dispensing of wine or malt liquor only to persons attending events at the arena for consumption on the premises. A license issued under this section authorizes sales on all days of the week to persons attending junior hockey league games at the arena.

EFFECTIVE DATE. This section is effective upon timely compliance by the governing body of the city of Richfield and its chief clerical officer with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 23. **SPECIAL CLOSING TIMES; 2014 ALL-STAR GAME.**

During the 2014 Major League Baseball All-Star Game at Target Field, licensing jurisdictions that lie fully or partially within Hennepin County may at their discretion issue special permits for service of alcohol through extended hours lasting until 4:00 a.m. each day. This section is subject to the following conditions:

(1) only holders of an existing on-sale intoxicating liquor license or a 3.2 malt liquor license are eligible for later closing hours;

(2) later closing hours apply only during the period from 12:00 p.m. on July 15, 2014, through 4:00 a.m. on July 16, 2014;

(3) local licensing jurisdictions issuing special permits to operate with extended hours during these days may charge a fee up to but not to exceed \$2,500 for such a permit. In the process of issuing a permit under this section, the licensing jurisdiction may limit approval to specified geographic, zoning, or license classifications within its jurisdiction; and

(4) this section is repealed as of 4:01 a.m. on July 16, 2014.

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

Sec. 24. **SPECIAL LICENSE; GOLDEN VALLEY.**

Notwithstanding any law or ordinance to the contrary, the city of Golden Valley may issue an on-sale license for a golf course and a community center that is located at 200 Brookview Parkway and is owned by the city. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section. The city of Golden Valley is deemed the licensee under this section, and the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the establishment were a municipal liquor store.

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

Sec. 25. **REVISOR'S INSTRUCTION.**

The revisor of statutes, with cooperation from the House Research Department and the Office of Senate Counsel, Research, and Fiscal Analysis, shall prepare legislation to create a separate statute, each, for licensing of brew pubs, small brewers, and other providers of alcohol where statutes have, in the opinion of the revisor of statutes, become intermingled beyond sense.

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

Sec. 26. **REPEALER.**

Laws 2012, chapter 235, section 11, is repealed.

Presented to the governor May 12, 2014

Signed by the governor May 13, 2014, 12:03 p.m.