CHAPTER 86--S.F.No. 3008

An act relating to liquor; modifying provisions regulating the production and sale of intoxicating liquor; modifying various licensing provisions; authorizing local on-sale licenses; appropriating money; amending Minnesota Statutes 2020, sections 340A.101, subdivision 16, by adding a subdivision; 340A.22; 340A.28, subdivision 2; 340A.301, subdivision 8; 340A.307, subdivisions 1, 2, 4; 340A.404, subdivisions 1, 1a, 6, 10; 340A.410, subdivision 10; 340A.412, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

ARTICLE 1

LIQUOR REGULATION

Section 1. Minnesota Statutes 2020, section 340A.101, is amended by adding a subdivision to read:

Subd. 9a. **Distilled spirits manufacturer.** "Distilled spirits manufacturer" means a distillery operated within the state producing distilled spirits in a total quantity exceeding the proof gallons limit for a microdistillery in a calendar year.

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

Sec. 2. Minnesota Statutes 2020, section 340A.101, subdivision 16, is amended to read:

Subd. 16. **Malt liquor.** "Malt liquor" is any ~~beer, ale, or other~~ beverage made from malt by fermentation, or by the fermentation of malt substitutes, including rice, grain of any kind, glucose, sugar, molasses, or other malt substitute that has not undergone distillation, and ~~containing~~ that contains not less than one-half of one percent alcohol by volume. "Beer" means any beverage meeting the definition of malt liquor under this subdivision.

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

Sec. 3. Minnesota Statutes 2020, section 340A.22, is amended to read:

340A.22 MICRODISTILLERIES; DISTILLED SPIRIT MANUFACTURERS.

Subdivision 1. **Activities.** (a) A microdistillery licensed under this chapter 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 or distilled spirits manufacturer can sell cocktails to the public, pursuant to subdivision 2.

(c) A microdistillery or distilled spirits manufacturer may not operate a cocktail room under subdivision 2 or conduct sales at off-sale under subdivision 4 unless at least 50 percent of the annual production of the licensee is processed and distilled on premises.

(d) For purposes of calculating annual production under paragraph (c), distilled spirits that are bottled by the licensee under a contract bottling agreement with a third party are excluded from the licensee's annual production if the:

(1) third-party contractor is an independent entity that is not owned or controlled by the licensee;

(2) distilled spirits bottled under a third-party contract are not available for sale or marketed by the licensee or the third party at any location licensed under subdivision 2 or 4; and

(3) distilled spirits bottled under a third-party contract are available for distribution by wholesalers.

~~(d)~~ (e) Distilled spirits produced or in production prior to July 1, 2017, are not counted as part of the calculations under paragraph (c).

Subd. 2. **Cocktail room license.** (a) A municipality, including a city with a municipal liquor store, may issue the holder of a microdistillery license or distilled spirits manufacturer license under this chapter a microdistillery or distilled spirits manufacturer cocktail room license. A microdistillery or distilled spirits manufacturer 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. Notwithstanding section 340A.504, subdivision 3, a cocktail room may be open and may conduct on-sale business on Sundays if authorized by the municipality. Nothing in this subdivision precludes the holder of a microdistillery or distilled spirits manufacturer 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, clause (a)~~.

(c) The municipality shall impose a licensing fee on a distiller holding a microdistillery or distilled spirits manufacturer 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 colocated.

Subd. 3. **License; fee.** 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. All other requirements of section 340A.301 apply to a license under this section.

Subd. 4. **Off-sale license.** (a) A microdistillery may be issued a license by the local licensing authority for off-sale of distilled spirits, with the approval of the commissioner. The license may allow the sale of ~~one 375 milliliter bottle~~ up to a total of 750 milliliters per customer per day of product manufactured on site, in any size container or combination of containers approved under paragraph (b), subject to the following requirements:

(1) off-sale hours of sale must conform to hours of sale for retail off-sale licensees in the licensing municipality; and

(2) no brand may be sold at the microdistillery unless it is also available for distribution by wholesalers.

(b) The commissioner may approve any standard fill as approved by the Alcohol and Tobacco Tax and Trade Bureau.

(c) The commissioner may by rule establish reporting requirements for microdistilleries making off-sales of distilled spirits under this subdivision to ensure compliance with the 750 milliliter limit in paragraph (a).

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

Sec. 4. Minnesota Statutes 2020, section 340A.28, subdivision 2, is amended to read:

Subd. 2. **Prohibition.** A municipality may not issue a license under this section 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~~ 150,000 barrels of its own brands of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.

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

Sec. 5. **[340A.29] OFF-SALE PACKAGING REQUIREMENTS FOR CERTAIN SMALL BREWERS.**

Subdivision 1. **Certain off-sale authorized.** Notwithstanding any law to the contrary, and in addition to the off-sale of malt liquor allowed under section 340A.28, a brewer licensed under section 340A.301, subdivision 6, clause (c), (i), or (j), that produces 7,500 barrels or less of malt liquor annually may be issued a license by a municipality for off-sale at its licensed premises of up to 128 ounces per customer per day of malt liquor that has been produced and packaged by the brewer, as provided in subdivision 2. The license must be approved by the commissioner. The amount of malt liquor sold at off-sale under this section must be included in calculating the annual barrel limit imposed in section 340A.28, subdivision 1.

Subd. 2. **Packaging.** Malt liquor authorized for off-sale pursuant to subdivision 1 must be packaged in a container or combination of containers that is in compliance with the provisions of Minnesota Rules, parts 7515.1080 to 7515.1120.

Subd. 3. **Off-sale not exclusive to brewery premises.** Any brand sold under this section must be made available for sale to a malt liquor wholesaler, other than a wholesaler owned in whole or in part by a brewer as allowed in section 340A.301, subdivision 9.

Subd. 4. **Exception; production in 2021.** Notwithstanding the 7,500 barrel limit in subdivision 1, a brewer licensed under section 340A.301, subdivision 6, clause (c), (i), or (j), that produced more than 5,500 barrels but not more than 13,500 barrels of malt liquor in calendar year 2021, as demonstrated by records from the Department of Revenue, may be issued a license under this section, provided that a brewer is only allowed to make the sales authorized in this section until the brewer's production exceeds its 2021 production amount by 2,000 barrels.

Subd. 5. **Reporting.** The commissioner may by rule establish reporting requirements for brewers making off-sales of malt liquor under this section to ensure compliance with the 128 ounce limit in subdivision 1.

Subd. 6. **Other laws.** All other requirements of chapter 340A, not inconsistent with this section apply.

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

Sec. 6. Minnesota Statutes 2020, section 340A.301, subdivision 8, is amended to read:

Subd. 8. **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) Except as provided in subdivision 9, no brewer as defined in subdivision 9 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.

(c) A winery holding a license under subdivision 6, paragraph (b) that produces and sells, including sales from the winery's premises, no more than 2,500 barrels or its metric equivalent of cider made from apples in a calendar year may own or have an interest in a wholesaler that sells only the winery's apple-based cider products. The winery eligible to own or have an interest in a wholesaler under this subdivision must provide the commissioner with an affidavit stating that no existing wholesaler is available to represent and distribute the winery's apple-based cider to retail license holders, and detailing the actions taken by the winery in pursuing a distribution contract for the cider product.

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

Sec. 7. Minnesota Statutes 2020, section 340A.307, subdivision 1, is amended to read:

Subdivision 1. **Nondiscriminatory sales.** All licensed importers and manufacturers must offer for sale on an equal basis to all licensed wholesalers and manufacturers all intoxicating liquor brought into or produced in the state of Minnesota.

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

Sec. 8. Minnesota Statutes 2020, section 340A.307, subdivision 2, is amended to read:

Subd. 2. **Prohibited practices.** Without limiting subdivision 1, the following are failures to offer intoxicating liquor for sale on an equal basis and are unlawful:

(1) A refusal to sell to a wholesaler or manufacturer intoxicating liquor offered for sale to any other wholesaler or manufacturer, except when a wholesaler or manufacturer is in arrears on payments for past purchases from the importer or manufacturer who refuses to sell.

(2) A sale of intoxicating liquor to a wholesaler or manufacturer at a price different from that offered to another wholesaler or manufacturer, exclusive of shipping costs, except that quantity discounts based on actual cost savings may be uniformly offered to all wholesalers and manufacturers.

(3) A sale of intoxicating liquor to a wholesaler or manufacturer on terms of purchase different from those offered another wholesaler or manufacturer, except that when the importer or manufacturer reasonably believes that a wholesaler or manufacturer will be unable to comply with the existing terms of credit, other terms may be employed, including denial of credit.

(4) Discrimination among wholesalers and manufacturers in satisfying their respective demands for intoxicating liquor.

(5) A sale conditioned on an agreement which restricts the wholesaler or manufacturer with respect to customers, area for distribution, or resale price, or which otherwise restrains the wholesaler or manufacturer from competing in trade and commerce.

(6) For purposes of this subdivision and subdivision 1 only, the term "intoxicating liquor" does not include "pop wines" as they are defined by rule of the commissioner.

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

Sec. 9. Minnesota Statutes 2020, section 340A.307, subdivision 4, is amended to read:

Subd. 4. **Exceptions.** Nothing in this section applies to: wine or malt liquor of any alcohol content.

~~(1) wine or malt liquor of any alcohol content;~~

~~(2) intoxicating liquor which is:~~

~~(i) further distilled, refined, rectified, or blended within the state; and~~

~~(ii) bottled within the state and labeled with the importer's own labels after importation into the state; or~~

~~(3) any brand of intoxicating liquor which is offered for sale only in this state. No such brand shall vary from an existing or new brand sold in another state in any manner as to brand name, age, or proof of the product.~~

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

Sec. 10. Minnesota Statutes 2020, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

(1) hotels;

(2) restaurants;

(3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests, except that a club may permit the general public to participate in a wine tasting conducted at the club under section 340A.419;

(5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the Minnesota Sports Facilities Authority;

(6) sports facilities located on land owned by the Metropolitan Sports Commission; ~~and~~

(7) exclusive liquor stores~~.~~; and

(8) resorts as defined in section 157.15, subdivision 11.

(b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a theater within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the theater.

(c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a convention center within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the convention center. This paragraph does not apply to convention centers located in the seven-county metropolitan area.

(d) A ~~city~~ municipality may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a summer collegiate league baseball team or baseball team competing in a league established by the Minnesota Baseball Association, or to a person holding a concessions or management contract with the owner, for beverage sales at a ballpark or stadium located within the ~~city~~ municipality for the purposes of summer collegiate league baseball games, town ball games, and any other events at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending baseball games and any other events at the ballpark or stadium.

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

Sec. 11. Minnesota Statutes 2020, section 340A.404, subdivision 1a, is amended to read:

Subd. 1a. **~~Cities~~ Municipalities; auto racing facilities.** A ~~city~~ municipality may issue an on-sale intoxicating liquor license to an auto racing facility located in the ~~city~~ municipality. The license may authorize sales both to persons attending any and all events at the facility, and sales in a restaurant, bar, or banquet facility located on the premises of the auto racing facility. The license authorizes sales on all days of the week. 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 a defined area as described in the application for the license.

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

Sec. 12. Minnesota Statutes 2020, section 340A.404, subdivision 6, is amended to read:

Subd. 6. **Counties.** (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, club, ~~or~~ hotel, or resort as defined in section 157.15, subdivision 11, with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated. Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

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

Sec. 13. Minnesota Statutes 2020, 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, except as provided for county fairs in section 340A.410, subdivision 10, 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 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 or a microdistillery a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the brewer or microdistillery. 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.

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

Sec. 14. Minnesota Statutes 2020, section 340A.410, subdivision 10, is amended to read:

Subd. 10. **Temporary licenses; restrictions.** (a) A municipality may not issue more than three four-day, four three-day, six two-day, or 12 one-day temporary licenses, in any combination not to exceed 12 days per year, under section 340A.404, subdivision 10, for the sale of alcoholic beverages to any one organization or registered political committee, or for any one location, within a 12-month period.

~~(b) A municipality may not issue more than one temporary license under section 340A.404, subdivision 10, for the sale of alcoholic beverages to any one organization or registered political committee, or for any one location, within any 30-day period unless the licenses are issued in connection with an event officially designated a community festival by the municipality.~~

~~This restriction does not apply to a municipality with a population of 5,000 or fewer people.~~

~~(c)~~ (b) A municipality that issues separate temporary wine and liquor licenses may separately apply the limitations contained in ~~paragraphs~~ paragraph (a) ~~and (b)~~ to the issuance of such licenses to any one organization or registered political committee, or for any one location.

(c) In addition to the temporary licenses authorized in paragraph (a), a municipality may issue one seven-day temporary license per year to a county agricultural society established under section 38.01, for alcoholic beverage sales at a county fair.

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

Sec. 15. Minnesota Statutes 2020, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

(1) alcoholic beverages;

(2) tobacco products;

(3) ice;

(4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;

(5) soft drinks;

(6) liqueur-filled candies;

(7) food products that contain more than one-half of one percent alcohol by volume;

(8) cork extraction devices;

(9) books and videos on the use of alcoholic beverages;

(10) magazines and other publications published primarily for information and education on alcoholic beverages;

(11) multiple-use bags designed to carry purchased items;

(12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;

(13) home brewing equipment; ~~and~~

(14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo~~.~~;

(15) citrus fruit; and

(16) glassware.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

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

Sec. 16. **EXTENDED HOURS FOR ON-SALE; WORLD CUP.**

(a) Notwithstanding the restrictions on the days and hours for on-sale of intoxicating liquor or 3.2 percent malt liquor in this section, during a FIFA Women's World Cup competition or FIFA World Cup competition, a licensing jurisdiction may, at its discretion, issue special permits for service of alcohol through extended hours. The permit only authorizes the sale of alcoholic beverages 30 minutes before, during, and 30 minutes after a scheduled broadcast of a live World Cup match. The sales authorized under this subdivision are not allowed during broadcasts of previously played matches. Only holders of an existing on-sale intoxicating

liquor license or a 3.2 percent malt liquor license are eligible for the extended hours. Local licensing jurisdictions issuing special permits to operate with extended hours under this subdivision may charge a fee up to but not to exceed $250 for 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.

(b) This section expires September 1, 2023.

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

Sec. 17. **APPROPRIATION.**

$250,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for the purpose of hiring two additional full-time employees in the Division of Alcohol and Gambling Enforcement.

ARTICLE 2

SPECIAL LOCAL LIQUOR LAWS

Section 1. **CITY OF WILLMAR; ON-SALE LICENSE.**

Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Willmar may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a junior league hockey team or to a person holding a concessions or management contract with the city or the team owner for beverage sales at the Willmar Civic Center. The licenses must authorize the dispensing of wine or malt liquor only to persons attending events at the civic center 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 or other events at the civic center.

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

Sec. 2. **CITY OF SAUK RAPIDS; ON-SALE LICENSE.**

(a) Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Sauk Rapids may issue an on-sale intoxicating liquor license to an entity holding a management or concessions contract with the city for operation within Bob Cross Regional Park. The license must authorize the service of intoxicating liquor only to persons attending events scheduled or organized by the entity, for consumption within Bob Cross Regional Park.

(b) Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Sauk Rapids may issue an on-sale intoxicating liquor license to an entity holding a concessions or management contract with the city for operation of a regional event center located within Lions Park or Southside Park. The license must authorize the service of intoxicating liquor only to persons attending events scheduled or organized by the entity, for consumption within Lions Park or Southside Park.

(c) A license issued under this section authorizes sales on all days of the week. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply.

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

Sec. 3. **CITY OF ST. PAUL; LICENSE AUTHORIZED.**

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St. Paul may issue a temporary on-sale malt liquor license to the Thai Cultural Council of Minnesota. The license may authorize the sale of malt liquor on the grounds of the State Capitol for both days of the Minnesota Songkran Festival. 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 upon approval by the St. Paul City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 4. **CITY OF ST. CLOUD; ON-SALE LICENSE.**

Notwithstanding any law or ordinance to the contrary, the city of St. Cloud may issue an on-sale wine license and an on-sale malt liquor license to a city recreation facility known as Whitney Recreation, located at 1529 Northway Drive, that is owned by the city. The license must authorize the dispensing of wine or malt liquor only to persons attending events anywhere on the property described as Whitney Park. The license may be issued to the city of St. Cloud or to any persons under contract or agreement with the city with respect to the operation of the facilities. The license authorizes sales on all days of the week. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section shall apply.

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

Sec. 5. **CITY OF ANOKA; SPECIAL LICENSE.**

Subdivision 1. **Social district; consumption allowed.** The city of Anoka may issue a social district license to any holder of an on-sale license whose on-sale premises is contiguous with the premises of the social district designated in subdivision 2. The license authorizes consumption, but not sales or service, of alcoholic beverages sold by the on-sale licensee within the social district.

Subd. 2. **Designation of social district.** (a) Prior to issuing the license in subdivision 1, the city of Anoka must designate and describe the premises of the social district. The district may not include any area under the ownership or control of a person that objects to the extension of the social district to that area.

(b) The designation must include the specific premises where consumption of alcoholic beverages is allowed and also include the proposed hours and days in which consumption of alcoholic beverages is allowed in the social district. The city of Anoka must adopt the designation by ordinance prior to issuing the license in subdivision 1.

Subd. 3. **Boundaries clearly defined.** The social district must be clearly defined with signs posted in a conspicuous location indicating the area included in the social district and the days and hours during which alcoholic beverages may be consumed in the district. In addition, signs must include:

(1) the local law enforcement agency with jurisdiction over the area comprising the social district; and

(2) a clear statement that an alcoholic beverage purchased for consumption in the social district shall:

(i) only be consumed in the social district; and

(ii) be disposed of before the person in possession of the alcoholic beverage exits the social district unless the person is reentering the licensed premises where the alcoholic beverage was purchased.

Subd. 4. **Management and maintenance.** The city of Anoka must establish management and maintenance plans for the social district and post these plans, along with a rendering of the boundaries of the social district and days and hours during which alcoholic beverages may be consumed in the district, on the website for the city of Anoka. The social district must be maintained in a manner that protects the health and safety of the general public.

Subd. 5. **Requirements for on-sale licensees.** An on-sale licensee holding a social district license may only sell and serve alcoholic beverages on the premises specified in the licensee's on-sale license. The licensee must not allow a person to enter or reenter its on-sale licensed premises with an alcoholic beverage not sold by the on-sale licensee. Sales for consumption in the social district must meet the following container requirements:

(1) the container clearly identifies the on-sale licensee from which the alcoholic beverage was purchased;

(2) the container clearly displays a logo or some other mark that is unique to the social district in which it will be consumed;

(3) the container is not comprised of glass;

(4) the container displays, in no less than 12-point font, the statement, "Drink Responsibly - Be 21."; and

(5) the container shall not hold more than 16 fluid ounces.

Subd. 6. **Additional social district requirements.** The possession and consumption of an alcoholic beverage in a social district is subject to all of the following requirements:

(1) only alcoholic beverages purchased from an on sale-licensee holding a social district license located in or contiguous to the social district may be possessed and consumed in the district;

(2) alcoholic beverages shall only be in containers meeting the requirements set forth in subdivision 5;

(3) alcoholic beverages shall only be possessed and consumed during the days and hours set by the city of Anoka as specified in subdivision 2; and

(4) a person shall dispose of any alcoholic beverage in the person's possession prior to exiting the social district unless the person is reentering the on-sale licensed premises where the alcoholic beverage was purchased.

Subd. 7. **Report required.** Within 24 months from the first issuance of a social district license, the city of Anoka must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over liquor regulation. The report must include a discussion of the following subjects:

(1) the process used by the city in designating the social district;

(2) the community response to the social district, with a concentration on residents living and businesses operating within a one-mile radius of the district;

(3) the response to the social district from both on-sale licensees holding a social district license and not holding a social district license;

(4) the problems or challenges encountered in establishing and overseeing the social district and social district licenses;

(5) any public safety concerns that arose due to the operation of the social district;

(6) the benefits and drawbacks to the city of continuing the social district; and

(7) recommendations for modifications to the social district special law established in this section.

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

Sec. 6. **CITY OF ROCHESTER; ON-SALE LICENSE.**

Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Rochester may issue an on-sale wine license and an on-sale malt liquor license to a nonprofit association comprised of members participating in adult athletic competitions and related events at the McQuillan Park Softball Complex. The licenses must authorize the dispensing of wine or malt liquor only to persons attending events at the complex for consumption on the premises. A license issued under this section authorizes sales on all days of the week to persons attending adult events at the complex.

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

Sec. 7. **CITY OF ALEXANDRIA; ON-SALE LICENSE.**

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

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

Presented to the governor May 21, 2022

Signed by the governor May 22, 2022, 3:45 p.m.