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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 159

01/17/2019 Authored by Davnie and Long
The bill was read for the first time and referred to the Committee on Commerce

1.1 A bill for an act
1.2 relating to liquor; allowing producers to provide liquor to nonprofit organizations
1.3 for tasting events; amending Minnesota Statutes 2018, sections 340A.404,
1.4 subdivision 10; 340A.418.

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

1.6 Section 1. Minnesota Statutes 2018, section 340A.404, subdivision 10, is amended to
1.7 read:

1.8 Subd. 10. Temporary on-sale licenses. (a) The governing body of a municipality may
1.9 issue to (1) a club or charitable, religious, or other nonprofit organization in existence for
1.10 at least three years, (2) a political committee registered under section 10A.14, or (3) a state
1.11 university, a temporary license for the on-sale of intoxicating liquor in connection with a
1.12 social event within the municipality sponsored by the licensee. The license may authorize
1.13 the on-sale of intoxicating liquor for not more than four consecutive days, and may authorize
1.14 on-sales on premises other than premises the licensee owns or permanently occupies. The
1.15 license may provide that the licensee may contract for intoxicating liquor catering services
1.16 with the holder of a full-year on-sale intoxicating liquor license issued by any municipality.
1.17 The licenses are subject to the terms, including a license fee, imposed by the issuing
1.18 municipality. Licenses issued under this subdivision are subject to all laws and ordinances
1.19 governing the sale of intoxicating liquor except sections 340A.409 and 340A.504, subdivision
1.20 3, paragraph (d), and those laws and ordinances which by their nature are not applicable.
1.21 Licenses under this subdivision are not valid unless first approved by the commissioner of
1.22 public safety.

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

2.3 (c) The governing body of a municipality may issue to a brewer who manufactures fewer
2.4 than 3,500 barrels of malt liquor in a year, a winery licensed under section 340A.301,
2.5 subdivision 6, paragraph (b), a farm winery licensed under section 340A.315, or a
2.6 microdistillery a temporary license for the on-sale of intoxicating liquor in connection with
2.7 a social event within the municipality sponsored by the brewer or microdistillery. The terms
2.8 and conditions specified for temporary licenses under paragraph (a) shall apply to a license
2.9 issued under this paragraph, except that the requirements of section 340A.409, subdivisions
2.10 1 to 3a, shall apply to the license.

2.11 Sec. 2. Minnesota Statutes 2018, section 340A.418, is amended to read:

2.12 **340A.418 ALCOHOLIC BEVERAGE TASTINGS.**

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

2.17 Subd. 2. **Tastings authorized.** (a) A charitable, religious, or other nonprofit organization
2.18 may conduct a tasting of not more than four hours duration on premises the organization
2.19 owns or leases or has use donated to it, or on the licensed premises of a holder of an on-sale
2.20 intoxicating liquor license that is not a temporary license, if the organization holds a
2.21 temporary on-sale intoxicating liquor license under section 340A.404, subdivision 10, and
2.22 complies with this section. An organization holding a temporary license may be assisted in
2.23 conducting the tasting by another nonprofit organization.

2.24 (b) An organization that conducts a tasting under this section may use the net proceeds
2.25 from the tasting only for:

2.26 (1) the organization's primary nonprofit purpose; or

2.27 (2) donation to another nonprofit organization assisting in the tasting, if the other
2.28 nonprofit organization uses the donation only for that organization's primary nonprofit
2.29 purpose.

2.30 (c) No wine or malt liquor at a tasting under this section may be sold, or orders taken,
2.31 for off-premises consumption.

3.1 ~~(d) Notwithstanding any other law, an organization may purchase or otherwise obtain~~
 3.2 ~~wine or malt liquor for a tasting conducted under this section from a wholesaler licensed to~~
 3.3 ~~sell wine or malt liquor, and the wholesaler may sell or give wine or malt liquor to an~~
 3.4 ~~organization for a tasting conducted under this section and may provide personnel to assist~~
 3.5 ~~in the tasting. A wholesaler who sells or gives wine or malt liquor to an organization for a~~
 3.6 ~~tasting under this section must deliver the wine or malt liquor directly to the location where~~
 3.7 ~~the tasting is conducted.~~

3.8 ~~(e)~~ (d) This section does not prohibit or restrict a tasting that is:

3.9 (1) located on on-sale premises where no charitable organization is participating; or

3.10 (2) located on on-sale premises where the proceeds are for a designated charity but where
 3.11 the tasting is primarily for educational purposes.

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

3.15 Subd. 3. **Provision of liquor and tasting-related services.** (a) Notwithstanding any
 3.16 law to the contrary, any Minnesota producer, including but not limited to a brewer, brew
 3.17 pub, winery, farm winery, distiller, or microdistiller licensed by the state, may sell or give
 3.18 liquor produced by the licensee to an organization for a tasting conducted under this section,
 3.19 and may provide personnel to assist in the tasting. A producer who sells or gives liquor to
 3.20 an organization for a tasting under this section must deliver the liquor directly to the location
 3.21 where the tasting is being conducted.

3.22 (b) Notwithstanding any law to the contrary, an organization may purchase or otherwise
 3.23 obtain wine or malt liquor for a tasting conducted under this section from a wholesaler
 3.24 licensed to sell wine or malt liquor, and the wholesaler may sell or give wine or malt liquor
 3.25 to an organization for a tasting conducted under this section and may provide personnel to
 3.26 assist in the tasting. A wholesaler who sells or gives wine or malt liquor to an organization
 3.27 for a tasting under this section must deliver the wine or malt liquor directly to the location
 3.28 where the tasting is conducted.

3.29 **EFFECTIVE DATE.** This section is effective July 1, 2019.