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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3662

02/21/2022

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The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to liquor; modifying the annual production limit for microdistillery on-
1.3 and off-sale to exclude spirits bottled under a third-party contract; amending
1.4 Minnesota Statutes 2020, section 340A.22, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2020, section 340A.22, subdivision 1, is amended to read:

1.7 Subdivision 1. **Activities.** (a) A microdistillery licensed under this chapter may provide
1.8 on its premises samples of distilled spirits manufactured on its premises, in an amount not
1.9 to exceed 15 milliliters per variety per person. No more than 45 milliliters may be sampled
1.10 under this paragraph by any person on any day.

1.11 (b) A microdistillery can sell cocktails to the public, pursuant to subdivision 2.

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

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

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

1.20 (2) distilled spirits bottled under a third-party contract are not available for sale or
1.21 marketed by the licensee or the third party at any location licensed under subdivision 2 or
1.22 4; and

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

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

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