

7515.0300 DUTIES AND RESTRICTIONS.

Subpart 1. **In general.** The duties and restrictions upon each manufacturer and wholesaler are outlined in this part.

Subp. 2. **Sales to retailers.** Manufacturers and wholesalers shall not sell at retail except in accordance with the privileges granted to breweries by Minnesota Statutes, section 340A.301, subdivision 8. Manufacturers and wholesalers and their respective agents or employees shall not sell or deliver alcoholic beverages to any person, club, or business establishment unless the purchaser is licensed or authorized to sell the respective beverages at retail. A sale to an unlicensed person shall be a violation subject to penalties provided by law or rules.

Subp. 3. **Written invoices.** Manufacturers and wholesalers shall furnish a written invoice to each retailer for the alcoholic beverages sold and delivered to retailers. The invoice must clearly identify seller and purchaser, date, quantity, brand names of products sold and the prices. When there are joint purchases as provided for in Minnesota Statutes, section 340A.312, manufacturers and wholesalers shall, in addition to the above, itemize on the invoice each retailer purchasing jointly or shall invoice joint purchases to each retailer separately.

Subp. 4. **Malt beverage invoices.** All brewery and wholesalers' invoices of sale for malt beverages containing more than 3.2 percent of alcohol by weight shall have affixed thereto the signature of the retail dealer purchasing said beverages and also the number of the retailer's identification card issued by the commissioner for the current year. In addition thereto, such sales invoices shall designate the date of sale, the quantity sold, and the brand names. The failure of producers or wholesale distributors to comply with the provisions of this subpart shall be deemed a violation.

Subp. 5. **Financial interest forbidden.** No manufacturer or wholesaler shall directly or indirectly or through any affiliate require by agreement or induce any licensed retailer to purchase alcoholic beverages from themselves to the exclusion in whole or in part of other manufacturers or wholesalers if the direct effect from the agreement or inducement is to prevent, hinder, or restrict any other manufacturer or wholesaler from selling or offering for sale alcoholic beverages to any licensed retailer. Manufacturers and wholesalers in respect to retailers are forbidden:

A. to acquire or hold any direct or indirect interest in any retail license or proprietary interest in the business of a retailer;

B. to acquire any interest in real or personal property owned, occupied, or used by any retailer in the conduct of business;

C. to furnish, give, rent, lend, or sell to a retailer any equipment, fixtures, supplies, money, service, or other thing of value, except to the extent permitted by statute;

- D. to pay or credit a retailer for any retailer's advertising, display, or distributing service, except to the extent permitted by statute;
- E. to guarantee any loan or repayment of any financial obligation of the retailer;
- F. to extend a retailer credit for a period in excess of the credit period usual and customary in the industry or in excess of the credit period permitted by law;
- G. to require the retailer to purchase and sell a specified quantity of any such products;
- H. to offer or pay a commercial bribe;
- I. to offer or make any gifts or to pay compensation to any proprietor, officer, employee, or representative of a retail store;
- J. to coerce a retailer through threat of criminal prosecution, or license discipline or denial; or
- K. to sell, offer to sell, or contract to sell any licensed retailer any alcoholic beverages on consignment or under conditional sale or with the privilege of return on any basis otherwise than a bona fide sale. This item does not apply to transactions involving solely the bona fide return of the product for ordinary and usual commercial reasons arising after the product has been sold.

Subp. 6. **Gifts forbidden.** No manufacturer, importer, or wholesaler of alcoholic beverages shall, directly or indirectly, or through any officer, agent, or employee, offer or grant discounts, rebates, free goods, allowances, or other concessions in wholesale prices unless the same terms are offered uniformly to each retailer in the wholesaler's or manufacturer's trade territory at the same time and for the same period, and any and all discounts, rebates, free goods, allowances, or other concessions made because of quantity purchases or for any other reason must be specifically noted on the invoice of each and every retailer to whom the concessions are granted.

Subp. 7. **Sales discrimination forbidden.** Minnesota manufacturers and wholesalers shall not discriminate in the sale of their products to retailers except that manufacturers or wholesalers may refuse to sell alcoholic beverages to a retailer who may have violated any law, rule, or municipal ordinance relating to the sale of alcoholic beverages at retail, or who has breached a contract for sale with the manufacturer or wholesaler. Upon notice from the commissioner, manufacturers and wholesalers shall not sell alcoholic beverages to any on-sale or off-sale licensee who refuses to sell or serve alcoholic beverages to any person because of race, color, national origin, or who discriminates in the selection of its membership on the basis of race, color, or national origin.

Subp. 8. **Peddling forbidden.** No manufacturer or wholesaler of distilled spirits and wine or their employees shall transport such products in vehicles for the purpose of soliciting orders from retailers and filling such orders from stocks transported in vehicles.

Subp. 9. **Container limitation.** No manufacturer or wholesaler shall sell distilled spirits to retailers in containers holding more than 64 ounces, or their metric equivalents, except wine may be sold in containers holding 1/20 gallon (6-2/5 oz.), or its metric equivalent, to on-sale and off-sale licensees.

Miniature containers shall be sold only to off-sale retailers or licensed common carriers for dining facilities, and licensees who have approved dispensing devices, and hospitals and sanatoriums having a permit to administer medicinal liquors on prescription for dispensing to patients in hospitals and nursing homes.

No containers of distilled spirits holding less than one-fifth of a gallon, or 750 milliliters, or wine containers holding less than 1/20 gallon (6-2/5 ounces) or its metric equivalent, shall be sold to on-sale retailers.

Still wines shall be sold by Minnesota manufacturers and wholesalers to retail liquor dealers only in case lots. The cases shall be filled with wines of only one tax class, that is, wines of 14 percent or less of alcohol by volume shall not be combined in a case with wines of more than 14 percent of alcohol by volume.

Subp. 10. **Sale or delivery prohibited in certain municipalities.** No manufacturer or wholesaler shall sell or deliver distilled spirits, wine, ethyl alcohol, or intoxicating malt beverages in any municipality prohibiting the sale thereof. However, intoxicating liquors and ethyl alcohol may be sold in such municipalities to persons who are holders of permits to sell such products for industrial or medicinal purposes.

Subp. 11. **Transfer of business license.** Any manufacturer, wholesaler, or brewer may transfer a business and license with the approval of the commissioner. When contemplating transfer, the licensee shall submit the license to the commissioner and all permits issued in connection therewith, together with a complete inventory of alcoholic beverages on hand, giving the brand names, and the size and number of containers. The request for transfer must be accompanied by the license application and bond of the proposed purchaser.

Any application for transfer of a license must be accompanied by a transfer fee of \$10.

Subp. 12. **Branch establishments.** Manufacturers and wholesalers of distilled spirits, wine, and malt beverages licensed by the commissioner may maintain branch establishments provided that the establishments are directly owned and managed by the manufacturers and wholesalers, and that all employees of establishments are paid only fixed salaries and/or commissions. No branch license shall be granted to holders of wholesale 3.2 percent malt liquor licenses.

Subp. 13. **Withdrawal of distilled spirits and wine.** No persons employed by importers, distillers, rectifiers, winers, Minnesota licensed manufacturers or wholesalers shall withdraw distilled spirits or wine from the premises of manufacturers or wholesalers unless such requisition has been approved by the commissioner on a form prescribed by the commissioner.

Statutory Authority: *MS s 14.06; 299A.02; 340.507*

History: *L 1985 c 305 art 5 s 1,12; 17 SR 1279; L 1991 c 249 s 31; 27 SR 1580*

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