

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 2392

1.2 A bill for an act
1.3 relating to liquor; modifying liquor regulation; authorizing liquor licenses;
1.4 amending Minnesota Statutes 2010, sections 340A.315, by adding a subdivision;
1.5 340A.404, subdivision 4a; 340A.412, subdivision 14; 340A.419, subdivision
1.6 2; Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 5a;
1.7 proposing coding for new law in Minnesota Statutes, chapter 340A.

1.8 April 18, 2012

1.9 The Honorable Michelle L. Fischbach
1.10 President of the Senate

1.11 The Honorable Kurt Zellers
1.12 Speaker of the House of Representatives

1.13 We, the undersigned conferees for S.F. No. 2392 report that we have agreed upon
1.14 the items in dispute and recommend as follows:

1.15 That the House recede from its amendment and that S.F. No. 2392 be further
1.16 amended as follows:

1.17 Delete everything after the enacting clause and insert:

1.18 "Section 1. Minnesota Statutes 2010, section 340A.315, is amended by adding a
1.19 subdivision to read:

1.20 Subd. 8. **Bulk wine.** Farm wineries licensed under this section are permitted to
1.21 purchase and use bulk wine, provided:

1.22 (1) the quantity of bulk wine in any farm winery's annual production shall not exceed
1.23 ten percent of that winery's annual production;

1.24 (2) that bulk wine under section 340A.315, subdivision 4, shall be counted as a
1.25 portion of the 49 percent of product that need not be Minnesota-grown and may be
1.26 imported from outside Minnesota; and

1.27 (3) that the bulk wine must be blended and not directly bottled.

1.28 "Bulk wine," as used in this subdivision, means fermented juice from grapes, other
1.29 fruit bases, or honey.

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

2.2 Sec. 2. Minnesota Statutes 2010, section 340A.315, is amended by adding a
2.3 subdivision to read:

2.4 Subd. 9. **Agricultural land.** A farm winery license must be issued for operation of
2.5 a farm winery on agricultural land, operating under an agricultural classification, zone,
2.6 or conditional use permit. Farm wineries with licenses issued prior to March 1, 2012,
2.7 are exempt from this provision.

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

2.9 Sec. 3. Minnesota Statutes 2010, section 340A.404, subdivision 4a, is amended to read:

2.10 Subd. 4a. **Publicly owned recreation; entertainment facilities.** (a)

2.11 Notwithstanding any other law, local ordinance, or charter provision, the commissioner
2.12 may issue on-sale intoxicating liquor licenses:

2.13 (1) to the state agency administratively responsible for, or to an entity holding a
2.14 concession or facility management contract with such agency for beverage sales at, the
2.15 premises of any Giants Ridge Recreation Area building or recreational improvement area
2.16 owned by the state in the city of Biwabik, St. Louis County;

2.17 (2) to the state agency administratively responsible for, or to an entity holding a
2.18 concession or facility management contract with such agency for beverage sales at, the
2.19 premises of any Ironworld Discovery Center building or facility owned by the state at
2.20 Chisholm;

2.21 (3) to the Board of Regents of the University of Minnesota for events at Northrop
2.22 Auditorium, the intercollegiate football stadium, ~~or including any games played by the~~
2.23 Minnesota Vikings at the stadium, and at no more than seven other locations within the
2.24 boundaries of the University of Minnesota, provided that the Board of Regents has
2.25 approved an application for a license for the specified location and provided that a license
2.26 ~~for an arena or an intercollegiate football stadium location is void unless it requires the~~
2.27 ~~sale or service of intoxicating liquor in a public portion consisting of at least one-third of~~
2.28 ~~the general seating of a stadium or arena~~ meets the conditions of paragraph (b). It is solely
2.29 within the discretion of the Board of Regents to choose the manner in which to carry out
2.30 ~~this condition~~ these conditions consistent with the requirements of paragraph (b); and

2.31 (4) to the Duluth Entertainment and Convention Center Authority for beverage
2.32 sales on the premises of the Duluth Entertainment and Convention Center Arena during
2.33 intercollegiate hockey games.

3.1 The commissioner shall charge a fee for licenses issued under this subdivision in an
3.2 amount comparable to the fee for comparable licenses issued in surrounding cities.

3.3 (b) No alcoholic beverage may be sold or served at TCF Bank Stadium unless the
3.4 Board of Regents holds an on-sale intoxicating liquor license for the stadium as provided
3.5 in paragraph (a), clause (3), that provides for the sale of intoxicating liquor at a location in
3.6 the stadium that is convenient to the general public attending an intercollegiate football
3.7 game at the stadium. On-sale liquor sales to the general public must be available at that
3.8 location through half-time of an intercollegiate football game at TCF Bank Stadium, and
3.9 sales at the stadium must comply with section 340A.909.

3.10 Sec. 4. Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 5a,
3.11 is amended to read:

3.12 Subd. 5a. **Wine festival.** A municipality with the approval of the commissioner
3.13 may issue a temporary license to a bona fide association of owners and operators of
3.14 wineries sponsoring an annual festival to showcase wines produced by members of the
3.15 association. The commissioner may only approve one temporary license in a calendar
3.16 year for each qualified association under this subdivision. The license issued under this
3.17 subdivision authorizes the sale of table, sparkling, or fortified wines produced by the
3.18 wineries at on-sale by the glass, provided that no more than two glasses per customer may
3.19 be sold, and off-sale by the bottle, provided that no more than six bottles in total per
3.20 customer may be sold. The license also authorizes the dispensing of free samples of the
3.21 wines offered for sale within designated premises of the festival. A license issued under
3.22 this subdivision is subject to all laws and ordinances governing the sale, possession, and
3.23 consumption of table, sparkling, or fortified wines. For purposes of this subdivision, a
3.24 "bona fide association of owners and operators of wineries" means an association of
3.25 more than ten wineries that has been in existence for more than two years at the time
3.26 of application for the temporary license.

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

3.28 Sec. 5. **[340A.402] WINE EDUCATOR; ON-SALE LICENSE.**

3.29 The commissioner may issue an on-sale license to a person meeting the requirements
3.30 specified in sections 340A.402 and 340A.409, at an annual cost of \$250 per license to a
3.31 wine educator and \$50 per permit for each employee of the wine educator that will be
3.32 pouring wine, under the following conditions:

4.1 (1) the license may be used to purchase wine at retail and serve wine for educational
4.2 purposes in any part of the state, unless a political subdivision adopts an ordinance
4.3 prohibiting wine education;

4.4 (2) all events conducted pursuant to this license must be conducted through advance
4.5 registration, and no walk-in access to the general public is permitted;

4.6 (3) licensees must possess certification that is satisfactory to the commissioner,
4.7 including, but not limited to, a certified specialist of wine or certified wine educator status
4.8 as conferred by the Society of Wine Educators, a Wine and Spirits Education Trust
4.9 Diploma, status as a certified sommelier, or the completion of a wine industry program at
4.10 a technical college or culinary school. A wine educator must also complete Training for
4.11 Intervention Procedures (TIPS) or other certified alcohol training programs and have a
4.12 valid certificate on file with the commissioner;

4.13 (4) a license holder shall not sell alcohol for off-premises consumption and no
4.14 orders may be taken for future sales;

4.15 (5) classes shall not be conducted at retail businesses that do not have a liquor
4.16 license during business hours; and

4.17 (6) prior to providing a class authorized under this section, the licensee shall notify
4.18 the police chief of the city where the class will take place, if the event will take place
4.19 within the corporate limits of a city. If the city has no police department, the licensee shall
4.20 notify the city's clerk. If the class will take place outside the corporate limits of any city,
4.21 the licensee shall notify the sheriff of the county where the class will take place.

4.22 Sec. 6. Minnesota Statutes 2010, section 340A.412, subdivision 14, is amended to read:

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

4.25 (1) alcoholic beverages;

4.26 (2) tobacco products;

4.27 (3) ice;

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

4.30 (5) soft drinks;

4.31 (6) liqueur-filled candies;

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

4.33 (8) cork extraction devices;

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

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

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

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

5.6 (13) home brewing equipment; and

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

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

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

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

5.14 Sec. 7. Minnesota Statutes 2010, section 340A.419, subdivision 2, is amended to read:

5.15 Subd. 2. **Tastings.** (a) Notwithstanding any other law, an exclusive liquor store may
5.16 conduct a wine, malt liquor, or spirits tasting on the premises of a holder of an on-sale
5.17 intoxicating liquor license that is not a temporary license or on the premises of a holder
5.18 of a wine license under section 340A.404, subdivision 5, if the exclusive liquor store
5.19 complies with this section.

5.20 (b) No wine, malt liquor, or spirits authorized for use under this section may be sold
5.21 for off-premises consumption. A participant in the tasting may fill out a form indicating
5.22 preferences for wine, malt liquor, or spirits. The form may be held on the premises of the
5.23 exclusive liquor store to assist the participant in making an off-sale purchase at a later date.

5.24 (c) Notwithstanding any other law, an exclusive liquor store may purchase or
5.25 otherwise obtain wine or spirits for a tasting conducted under this section from a
5.26 wholesaler licensed to sell wine or spirits. The wholesaler may sell or give wine or spirits
5.27 to an exclusive liquor store for a tasting conducted under this section and may provide
5.28 personnel to assist in the tasting.

5.29 (d) An exclusive liquor store that conducts a tasting under this section must use
5.30 any fees collected from participants in the tasting only to defray the cost of conducting
5.31 the tasting.

5.32 (e) Notwithstanding section 340A.409, subdivision 4, the premises on which a
5.33 tasting is conducted must be insured as required by section 340A.409, subdivision 1.

6.1 (f) Exclusive liquor stores may conduct classes for a fee and allow tastings in the
6.2 conduct of those classes, provided that the amount served at a class is limited to the
6.3 amount authorized under section 340A.4041.

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

6.5 Sec. 8. **WINNEBAGO EXEMPTION; OUT-OF-STATE CRAFT BREWER.**

6.6 Notwithstanding any law or ordinance to the contrary, an out-of-state brewer may
6.7 import malt liquor for sale at retail on one day per calendar year, in the city of Winnebago,
6.8 provided that the total production of malt liquor produced by the brewer in the prior
6.9 calendar year was less than 5,000 barrels, and provided that the seller of the malt liquor
6.10 holds an appropriate retail license. Malt liquor imported under this section must be
6.11 registered in accordance with section 340A.311.

6.12 **EFFECTIVE DATE; SUNSET.** This section is effective upon approval by the
6.13 Winnebago City Council and compliance with Minnesota Statutes, section 645.021, and
6.14 expires on December 31, 2012.

6.15 Sec. 9. **ON-SALE LICENSE AUTHORIZED.**

6.16 Notwithstanding any law or ordinance to the contrary, in addition to the number of
6.17 licenses authorized, the city of Moorhead may issue an on-sale intoxicating liquor license
6.18 to the governing body of the Bluestem Center for the Arts for the premises known as the
6.19 Bluestem Center for the Arts. The license shall authorize the dispensing of intoxicating
6.20 liquor only to persons attending events on the licensed premises, and shall authorize
6.21 consumption on the licensed premises only. The license may provide that the governing
6.22 body of the Bluestem Center for the Arts may contract for intoxicating liquor catering
6.23 service with the holder of an on-sale intoxicating liquor license issued by the city of
6.24 Moorhead. The city council shall establish the fee for the license. All provisions of
6.25 Minnesota Statutes, chapter 340A, governing alcoholic beverages not inconsistent with
6.26 this law apply to the license.

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

6.29 Sec. 10. **SPECIAL PROVISION; CITY OF MINNEAPOLIS.**

6.30 (a) The city of Minneapolis may extend any interim zoning, liquor licensing, or other
6.31 approvals granted to Kick's Liquor Store, Inc., a Minnesota corporation currently licensed
6.32 as an exclusive liquor store doing business as Broadway Liquor Outlet at 2201 West

7.1 Broadway, where the building housing the business at its current location was damaged
7.2 beyond reasonable repair by the 2011 tornado, to permit the ongoing interim operation of
7.3 the business in a temporary structure at the current location prior to the relocation of the
7.4 business to a permanent facility located across the street at 2200-2220 West Broadway, or
7.5 as this property is or may be more fully described in the property records of Hennepin
7.6 County, notwithstanding limitations of law, local ordinances, or charter provisions relating
7.7 to zoning or liquor licensing.

7.8 (b) The city of Minneapolis may grant, renew, or otherwise reissue the existing
7.9 off-sale intoxicating liquor license to Kick's Liquor Store, Inc., doing business as
7.10 Broadway Liquor Outlet, upon the relocation of the business to the permanent facility at
7.11 2200-2220 West Broadway or as this property is or may be more fully described in the
7.12 property records of Hennepin County, notwithstanding limitations of law, local ordinances,
7.13 or charter provisions relating to liquor licensing or contiguous zoning requirements.

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

7.16 Sec. 11. **EXPIRATION.**

7.17 The changes in section 3 to Minnesota Statutes, section 340A.404, subdivision
7.18 4a, expire July 1, 2014.

7.19 Sec. 12. **REVISOR'S INSTRUCTION.**

7.20 The revisor of statutes shall renumber Minnesota Statutes, section 340A.404,
7.21 subdivision 5a, as Minnesota Statutes, section 340A.4175, and make any necessary
7.22 cross-reference changes in Minnesota Statutes.

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

7.24 Delete the title and insert:

7.25 "A bill for an act
7.26 relating to liquor; modifying liquor regulation; authorizing liquor licenses;
7.27 amending Minnesota Statutes 2010, sections 340A.315, by adding subdivisions;
7.28 340A.404, subdivision 4a; 340A.412, subdivision 14; 340A.419, subdivision
7.29 2; Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 5a;
7.30 proposing coding for new law in Minnesota Statutes, chapter 340A."

We request the adoption of this report and repassage of the bill.

Senate Conferees:

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Chris Gerlach

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Geoff Michel

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Dan D. Hall

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John Sterling Howe

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Roger J. Reinert

House Conferees:

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Joe Atkins

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Sarah Anderson

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Joe Hoppe

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Tim Sanders

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Leon Lillie