

*two years, in an amount which may cause its indebtedness to exceed any statutory or charter limitations, without an election, and may levy taxes to pay therefor in the manner provided in Minnesota Statutes, section 475.61.*

Sec. 5. The provisions of this act shall become effective upon passage.

Approved April 24, 1959.

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#### CHAPTER 703—H. F. No. 1103

*An act defining and prohibiting multiple ownership of interests in liquor establishments and amending Minnesota Statutes 1957, Section 340.13.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1957, Section 340.13 is amended to read:

**340.13 Revocation of licenses.** Subdivision 1. The authority issuing any license under the provisions of sections 340.07 to 340.96 may revoke the license for violation of any provision of any statute or ordinance relating to the sale of intoxicating liquors, or, may suspend the license if revocation is not mandatory. The licensee shall be granted a hearing upon at least ten days notice before revocation or suspension is ordered by such governing body in all cases where mandatory revocation is not provided by law. "Off sale" licenses may be revoked or suspended by the governing body of the municipality as above provided or by the liquor control commissioner after hearing. No suspension shall exceed 60 days. No manufacturer or wholesaler shall either directly or indirectly own or control or have any financial interest in any retail business selling intoxicating liquor, but this restriction shall not be construed to deny such person the right to use or have his property rented for such purposes in any case where the manufacturer or wholesaler was a bona fide owner of the premises prior to November 1, 1933. No manufacturer or wholesaler shall exact or require, by contract, understanding, or otherwise any licensed retailer to handle or sell only the products of any particular manufacturer or wholesaler. No license shall be granted to any person who opens a new drug store after January 6, 1934, until such person shall have operated such store continuously for a period of two years, or shall have purchased a drug store that shall have been in continuous operation for two years. All licenses issued for any one municipality, except manufacturer's and wholesaler's licenses, shall expire at the same time.

*Subd. 2.* No more than one retailer's license shall be directly or indirectly issued to any one person or for any one place in each municipality. *It is a gross misdemeanor for any person, partnership, or corporation to knowingly have or possess a direct or indirect interest in more than one retail license in each municipality and upon conviction therefor the governing body of such municipality may immediately revoke all licenses in which such person, partnership or corporation has an interest. The term "interest" includes any pecuniary interest in the ownership, operation, management, or profits of a retail liquor establishment, but does not include: bona fide loans; bona fide rental agreements; bona fide open accounts or other obligations held with or without security arising out of the ordinary and regular course of business of selling or leasing merchandise, fixtures or supplies to such establishment; an interest in a corporation owning or operating a hotel as defined in Section 340.07 but having at least 250 or more rental units holding a liquor license in conjunction therewith; or 10 percent or less interest in any other corporation holding a license. A person who receives monies from time to time directly or indirectly from a licensee, in the absence of a bona fide consideration therefore and excluding bona fide gifts or donations, shall be deemed to have a pecuniary interest in such retail license. In determining "bona fides" the reasonable value of the goods or things received as consideration for any payment by the licensee and all other facts reasonably tending to prove or disprove the existence of any purposeful scheme or arrangement to evade the prohibitions of this subdivision shall be considered.*

*Subd. 3.* No retailer's "on sale" or retailer's "off sale" license shall be directly or indirectly issued with respect to any place in any municipality maintaining an exclusive liquor store, nor to any person or for any place for which a license of another class has been granted.

No "on sale" or "off sale" license shall be effective beyond the compact and contiguous space named therein for which the same was granted, except that an "on sale" license granted for sales in the dining room of any hotel in any city of the first, second, or third class, or in any village of over 10,000 inhabitants may permit sales of liquor with meals in additional dining rooms open to the public and specified in the license where meals are regularly served to guests therein. No license shall be issued for premises located within the areas restricted against commercial use through zoning ordinances or other proceedings or legal processes regularly had for that purpose, except that licenses may be issued for sale in restaurants in

premises which have been restricted against commercial uses since the establishment of such restaurants therein; and no license shall be issued contrary to the provisions of any charter, ordinance, or any special law restricting areas within which intoxicating liquor may be sold. No license shall be issued for premises or places in which the sale or use thereof has been prohibited by sections 340.72 to 340.90. No license shall be issued to any person in connection with the premises of another to whom no license could be issued under the provisions of sections 340.07 to 340.40, except as otherwise provided therein; provided, that this provision shall not prevent the granting of a license to a proper lessee by reason of the fact that he shall lease premises of a minor, non-citizen, or a person who has been convicted of a crime other than a violation of sections 340.07 to 340.40. No more than one license shall be issued to any person in any municipality except as specifically provided in sections 340.07 to 340.40. No "off sale" license shall be issued for any place where non-intoxicating malt beverages shall be sold for consumption on the premises, except that in cities of the fourth class and villages where the applicant for such "off sale" license shall also have for such place a legally issued "on sale" intoxicating liquor license.

Subd. 4. A license shall be non-transferable without the consent of the authority issuing it, and shall be posted in a conspicuous place in the premises for which it is issued. No license shall be effective until a permit shall be issued to the licensee under the laws of the United States, if such a permit be required under such laws. No license shall be issued to other than a citizen of the United States over 21 years of age who shall be of good moral character and repute, nor to any person who within five years prior to the application of such license has been convicted of any wilful violation of any law of the United States or the State of Minnesota or of any local ordinance with regard to the manufacture, sale, distribution, or possession for sale or distribution of intoxicating liquor, nor to any person whose license under sections 340.07 to 340.40 shall be revoked for any wilful violation of any such laws or ordinances.

Subd. 5. The legislature expressly reserves the right to limit or diminish the number of licenses, to limit the profits of any authorized manufacturer, wholesaler, or retailer as a condition to granting or continuing a license, and to regulate, limit, or prohibit the issuance or sale of capital stock in any licensee as a condition to granting a license.

Approved April 24, 1959.

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