

CHAPTER 609—S.F.No. 2232

VETOED

CHAPTER 610—S.F.No. 788

An act relating to utilities; prohibiting a municipality from using a quick take condemnation proceeding when acquiring the property of another electric service provider through eminent domain; amending Minnesota Statutes 1992, section 216B.47.

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

Section 1. Minnesota Statutes 1992, section 216B.47, is amended to read:

216B.47 ACQUISITION BY EMINENT DOMAIN.

Nothing in Laws 1974, chapter 429 ~~shall~~ this chapter may be construed to preclude a municipality from acquiring the property of a public utility by eminent domain proceedings; provided that damages to be paid in eminent domain proceedings ~~shall must~~ include the original cost of the property less depreciation, loss of revenue to the utility, expenses resulting from integration of facilities, and other appropriate factors. A municipality seeking to acquire the property of a public utility in eminent domain proceedings may not acquire the right to furnish electric service during the pendency of the proceedings through the use of section 117.042 but may petition the commission under section 216B.44 for service rights. For purposes of this section, a public utility ~~shall include~~ includes a cooperative electric association.

Sec. 2. EFFECTIVE DATE.

Section 1 is effective the day following final enactment and applies to acquisition of property that is begun on or after that date.

Presented to the governor May 5, 1994

Signed by the governor May 9, 1994, 4:37 p.m.

CHAPTER 611—H.F.No. 2617

An act relating to alcoholic beverages; prohibiting brewer refusal to supply; regulating brand extensions and termination of agreements; prohibiting discrimination in sales and rebates; setting license fees; providing for amounts of malt liquor that may be brewed in a brewery-restaurant; providing exemption from law regulating nondiscrimination in liquor wholesaling; prohibiting registration brand label stating or implying a false or misleading

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connection with an American Indian leader; requiring monthly reports by microbrewers; removing restriction on sale of intoxicating liquor on Christmas Eve and Christmas day; providing for inspection of premises of temporary on-sale licenses; authorizing issuance of licenses by certain counties and cities; defining terms; prohibiting certain solicitations by retailers; authorizing consignment sales of beer by wholesalers to temporary licensees; removing requirement that retail licensees be citizens or resident aliens; authorizing counties to issue on-sale licenses to hotels; allowing registered political committees in existence for less than three years to obtain temporary on-sale licenses; placing restrictions on the number of temporary licenses issued to any organization or for any location; imposing new restrictions on issuance of more than one off-sale license to any person in a municipality; regulating certain wine tastings; restricting use of coupons by retailers, wholesalers, and manufacturers; providing penalties; amending Minnesota Statutes 1992, sections 325B.02; 325B.04; 325B.05; 325B.12; 340A.101, subdivision 13; 340A.301, subdivisions 6, 7, and by adding a subdivision; 340A.307, subdivision 4; 340A.308; 340A.311; 340A.404, subdivisions 6 and 10; 340A.405, subdivisions 1, 2, and 4; 340A.410, by adding a subdivision; 340A.412, subdivision 3; 340A.416, subdivision 3; 340A.504, subdivision 2; and 340A.907; Minnesota Statutes 1993 Supplement, sections 340A.402; and 340A.415; proposing coding for new law in Minnesota Statutes, chapters 325B; and 340A.

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

Section 1. Minnesota Statutes 1992, section 325B.02, is amended to read:

325B.02 NO INDUCEMENT OR COERCION.

No brewer shall:

(1) Induce or coerce, or attempt to induce or coerce, any beer wholesaler to accept delivery of any alcoholic beverage or any other commodity which shall not have been ordered by the beer wholesaler.

(2) Induce or coerce, or attempt to induce or coerce, any beer wholesaler to do any illegal act or thing by threatening to amend, cancel, terminate, or refuse to renew any agreement existing between a brewer and a beer wholesaler.

(3) Require a wholesaler to assent to any condition, stipulation or provision limiting the wholesaler's right to sell the product of any other brewer anywhere in the state of Minnesota, provided that the acquisition of the product of another brewer does not materially impair the quality of service or quantity of sales of the existing brand or brands of the brewer seeking to impose the condition, stipulation or provision.

(4) Refuse to supply, in reasonable quantities and within a reasonable time after receipt of the wholesaler's order, beer ordered by a wholesaler who has an agreement with the brewer for sale and distribution of the brewer's beer, unless the refusal to supply is due to:

(i) the brewer's prudent and reasonable restrictions on extension of credit to the wholesaler;

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- (ii) weather or other natural events;
- (iii) a work stoppage or delay resulting from a strike or other labor dispute;
- (iv) a bona fide shortage of materials;
- (v) a freight embargo; or
- (vi) any other cause over which the brewer or the brewer's agents have no control.

Sec. 2. [325B.031] BRANDS; BRAND EXTENSIONS.

Subdivision 1. DEFINITIONS. For purposes of this section:

(a) "Brand" is any word, name, group of letters, symbol, or combination thereof, that is adopted and used by a brewer or importer to identify a specific beer product, and to distinguish that beer product from another beer product.

(b) "Brand extension" is any brand that (1) incorporates all or a substantial part of the unique features of a preexisting brand of the same brewer or importer, and (2) which relies to a significant extent on the goodwill associated with that preexisting brand.

Subd. 2. BRAND EXTENSION TO BE ASSIGNED. A brewer or importer who assigns a brand extension to a wholesaler must assign the brand extension to the wholesaler to whom the brewer or importer granted the exclusive sales territory to the brand from which the brand extension resulted. This requirement does not apply to assignments of brand extensions to wholesalers that were made by a brewer or importer before the effective date of this section.

Subd. 3. ADDITIONAL BRAND EXTENSION. In the event that prior to the effective date of this section a brewer or importer had assigned a brand extension to a wholesaler who was not the appointed wholesaler for the brand from which the brand extension was made, then any additional brand extension must be assigned to the wholesaler who first had the brand.

Sec. 3. Minnesota Statutes 1992, section 325B.04, is amended to read:

325B.04 CANCELLATION TERMINATION OF AGREEMENTS.

Subdivision 1. TERMINATIONS. Notwithstanding the terms, provisions or conditions of any agreement, no brewer shall amend, cancel, terminate or refuse to continue to renew any agreement, or cause a wholesaler to resign from an agreement, unless good cause exists for amendment, termination, cancellation, nonrenewal, noncontinuation or causing a resignation. "Good cause" shall not include the sale or purchase of a brewer. "Good cause" shall include, but not be limited to, the following:

- (1) Revocation of the wholesaler's license to do business in the state.

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(2) ~~Bankruptcy or insolvency of the wholesaler.~~

(3) ~~Assignment for the benefit of creditors or similar disposition of the assets of the wholesaler.~~

(4) ~~Failure by the wholesaler to substantially comply, without reasonable excuse or justification, with any reasonable and material requirement imposed upon the wholesaler by the brewer. the brewer.~~

(1) has satisfied the notice and opportunity to cure requirements of section 325B.05;

(2) has acted in good faith; and

(3) has good cause for the cancellation, termination, nonrenewal, discontinuance, or forced resignation.

Subd. 2. GOOD CAUSE. For purposes of subdivision 1:

(a) "Good cause" includes, but is not limited to, the following:

(1) revocation of the wholesaler's license under section 340A.304;

(2) the wholesaler's bankruptcy or insolvency;

(3) assignment of the assets of the wholesaler for the benefit of creditors, or a similar disposition of the wholesaler's assets; or

(4) a failure by the wholesaler to substantially comply, without reasonable excuse or justification, with any reasonable and material requirement imposed on the wholesaler by the brewer, where the failure was discovered by the brewer not more than one year before the date on which the brewer gave notice to the wholesaler under section 325B.05.

(b) "Good cause" does not include the sale or purchase of a brewer.

Sec. 4. Minnesota Statutes 1992, section 325B.05, is amended to read:

325B.05 NOTICE OF INTENT TO TERMINATE.

Except as provided in this section, a brewer shall provide a wholesaler at least 90 days prior written notice of any intent to amend, terminate, cancel or not renew any agreement. The notice shall state all the reasons for the intended amendment, termination, cancellation or nonrenewal. The wholesaler shall have 90 days in which to rectify any claimed deficiency. If the deficiency shall be rectified within 90 days of notice, then the proposed amendment, termination, cancellation or nonrenewal shall be null and void and without legal effect. The notice provisions of this section shall not apply if the reason for the amendment, termination, cancellation, or nonrenewal is:

(1) ~~The bankruptcy or insolvency of the wholesaler.~~

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(2) An assignment for the benefit of creditors or similar disposition of the assets of the business:

(3) Revocation of the wholesaler's license:

(4) Conviction or a plea of guilty or no contest to a charge of violating a law relating to the business that materially affects the wholesaler's ability to remain in business:

Subdivision 1. NOTICES; TIME LIMIT. (a) Notwithstanding any provision to the contrary in any agreement between a brewer and a wholesaler, a brewer who intends to terminate, cancel, discontinue, or refuse to renew an agreement with a wholesaler must furnish written notice to that effect to the wholesaler not less than 90 days before the effective date of the intended action and must provide the wholesaler with a bona fide opportunity to substantially cure any claimed deficiency within the 90 days.

(b) The notice must be sent by certified mail and must contain, at a minimum, (1) the effective date of the intended action, and (2) a statement of the nature of the intended action and the brewer's reasons therefor.

(c) In no event may a termination, cancellation, discontinuance, or non-renewal be effective until at least 90 days from the wholesaler's receipt of written notice under this section, unless the wholesaler has consented in writing to a shorter period.

Subd. 2. NOTICES; OTHER PROVISIONS. Notwithstanding subdivision 1 or section 325B.04, a brewer may terminate or refuse to renew an agreement on not less than 15 days' written notice to the wholesaler, upon any of the following occurrences:

(1) the bankruptcy or insolvency of the wholesaler;

(2) an assignment of the wholesaler's assets for the benefit of creditors, or a similar disposition of those assets;

(3) revocation of the wholesaler's license under section 340A.304; or

(4) conviction or a plea of guilty or no contest to a charge of violating any state or federal law, where the violation materially affects the wholesaler's right to remain in business. A notice under this subdivision must meet the requirements of subdivision 1, paragraph (b).

Sec. 5. Minnesota Statutes 1992, section 325B.12, is amended to read:

325B.12 NO DISCRIMINATION.

Subdivision 1. DISCRIMINATION PROHIBITED. No brewer shall discriminate among its wholesalers in any business dealings including, but not limited to, the price of beer sold to the wholesaler, unless the classification among its wholesalers is based upon reasonable grounds. Nothing in this section shall be construed to prohibit the sale or offer of sale of beer at a volume discount.

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Subd. 2. SALES; REBATES. No brewer may:

(1) sell or offer to sell any beer to any Minnesota wholesaler at a price lower than the actual price offered to any other Minnesota wholesaler for the same product;

(2) utilize any method, including but not limited to, a sales promotion plan or program:

(i) that constitutes or results in a different offer being made to wholesalers for the same product;

(ii) that relates in any way to the price being charged or to be charged by a wholesaler to a retailer, including without limitation, any arrangement whereby the wholesale price is connected with any reduction from or addition to the wholesaler's normal price to retail; or

(iii) that results in a fixed retail price predetermined by a brewer; or

(3) utilize any rebate plan or program in connection with the sale of beer to a Minnesota wholesaler, unless:

(i) the brewer pays rebates to a wholesaler, pursuant to a rebate plan or program, within ten days after the wholesaler provides the brewer with appropriate documentation as reasonably required by the brewer;

(ii) the rebate plan or program guarantees that the brewer will make a rebate payment no later than 45 days after the initiation of a rebate plan or program, provided that a wholesaler timely submits appropriate documentation as reasonably required by a brewer; and

(iii) in the event of an audit, other examination, or claim by a brewer regarding the propriety of rebate payments made to a wholesaler, a brewer shall only be permitted to examine a wholesaler's records going back one year from the date of the audit, other examination, or claim and shall only be permitted to seek reimbursement for rebate payments made to the wholesaler during the one-year period.

Sec. 6. Minnesota Statutes 1992, section 340A.101, subdivision 13, is amended to read:

Subd. 13. **HOTEL.** "Hotel" is an establishment where food and lodging are regularly furnished to transients and which has:

(1) a resident proprietor or manager;

(2) a dining room serving the general public at tables and having facilities for seating at least 30 guests at one time; and

(3) (2) guest rooms in the following minimum numbers: in first class cities, 50; in second class cities, 25; in all other cities and unincorporated areas, 10.

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Sec. 7. Minnesota Statutes 1992, section 340A.301, subdivision 6, is amended to read:

Subd. 6. **FEES.** The annual fees for licenses under this section are as follows:

(a) Manufacturers (except as provided in clauses (b) and (c))	\$15,000
Duplicates	\$ 3,000
(b) Manufacturers of wines of not more than 25 percent alcohol by volume	\$ 500
(c) Brewers other than those described in clause <u>clauses (d) and (i)</u>	\$ 2,500
(d) Brewers who also hold a retail on-sale license and who manufacture fewer than 2,000 <u>3,500</u> barrels of malt liquor in a year, <u>except as provided in subdivision 10,</u> the entire production of which is solely for consumption on tap on the licensed premises	\$ 500
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	\$15,000
Duplicates	\$ 3,000
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	\$ 2,000
(g) Wholesalers of intoxicating malt liquor	\$ 600
Duplicates	\$ 25
(h) Wholesalers of 3.2 percent malt liquor	\$ 10
(i) <u>Brewers who manufacture fewer than 2000 barrels of malt liquor in a year</u>	<u>\$ 150</u>

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

Sec. 8. Minnesota Statutes 1992, section 340A.301, subdivision 7, is amended to read:

Subd. 7. **INTEREST IN OTHER BUSINESS.** (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or 3.2 percent malt liquor license. The commissioner may not issue a license under this section to a manufacturer, brewer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the

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manufacturer or wholesaler has owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

(b) A licensed brewer of malt liquor described in subdivision 6, clause (d) may be issued an on-sale intoxicating liquor or 3.2 percent malt liquor license by a municipality for a restaurant operated in or immediately adjacent to the place of manufacture. Malt liquor brewed by such a licensee may not be removed from the licensed premises unless the malt liquor is entered in a tasting competition where none of the malt liquor so removed is sold.

(c) Except as provided in subdivision 7a, no brewer as defined in subdivision 7a may have any interest, in whole or in part, directly or indirectly, in the license, business, assets, or corporate stock of a licensed malt liquor wholesaler.

Sec. 9. Minnesota Statutes 1992, section 340A.301, is amended by adding a subdivision to read:

Subd. 10. BREWERY-RESTAURANTS; PERMITS. A licensed brewer of malt liquor described in subdivision 6, clause (d), may apply to the commissioner for a permit to manufacture more than 3,500 barrels of malt liquor in a calendar year. The commissioner shall issue the permit if the commissioner determines that (1) the brewer will manufacture at least 3,500 barrels of malt liquor in that year, and (2) all malt liquor manufactured by the brewer will be consumed on the licensed premises only, except as provided in subdivision 7, paragraph (b). The permit authorizes the permit holder to manufacture more than 3,500 barrels of malt liquor in the year in which the permit is issued, for consumption on the licensed premises only. A permit under this subdivision expires on December 31 of the year of issuance.

Sec. 10. Minnesota Statutes 1992, section 340A.307, subdivision 4, is amended to read:

Subd. 4. **EXCEPTIONS.** Nothing in this section applies to:

- ~~(a)~~ (1) wine or malt liquor of any alcohol content; ~~or~~
- ~~(b)~~ (2) intoxicating liquor which is:
 - ~~(+)~~ (i) further distilled, refined, rectified, or blended within the state; and
 - ~~(-)~~ (ii) bottled within the state and labeled with the importer's own labels after importation into the state; or
- (3) any brand of intoxicating liquor which is offered for sale only in this state. No such brand shall vary from an existing or new brand sold in another state in any manner as to brand name, age, or proof of the product.

Sec. 11. Minnesota Statutes 1992, section 340A.308, is amended to read:

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340A.308 PROHIBITED TRANSACTIONS.

(a) No brewer or malt liquor wholesaler may directly or indirectly, or through an affiliate or subsidiary company, or through an officer, director, stockholder, or partner:

- (1) give, or lend money, credit, or other thing of value to a retailer;
- (2) give, lend, lease, or sell furnishing or equipment to a retailer;
- (3) have an interest in a retail license; or
- (4) be bound for the repayment of a loan to a retailer.

(b) No retailer may solicit any equipment, fixture, supplies, money, or other thing of value from a brewer or malt liquor wholesaler if furnishing of these items by the brewer or wholesaler is prohibited by law and the retailer knew or had reason to know that the furnishing is prohibited by law.

(c) This section does not prohibit a manufacturer or wholesaler from:

(1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to \$400 excluding installation and repair costs;

(2) furnishing, lending, or renting to a retailer inside signs and other promotional material, of a cost of up to \$300 in a year;

(3) furnishing to or maintaining for a retailer equipment for dispensing malt liquor, including tap trailers, cold plates and other dispensing equipment, of a cost of up to \$100 per tap in a year;

(4) using or renting property owned continually since November 1, 1933, for the purpose of selling intoxicating or 3.2 percent malt liquor at retail; or

(5) extending customary commercial credit to a retailer in connection with a sale of nonalcoholic beverages only, or engaging in cooperative advertising agreements with a retailer in connection with the sale of nonalcoholic beverages only; or

(6) in the case of a wholesaler, with the prior written consent of the commissioner, selling beer on consignment to a holder of a temporary license under section 340A.403, subdivision 2, or 340A.404, subdivision 10.

Sec. 12. Minnesota Statutes 1992, section 340A.311, is amended to read:

340A.311 BRAND REGISTRATION.

(a) A brand of intoxicating liquor or 3.2 percent malt liquor may not be manufactured, imported into, or sold in the state unless the brand label has been registered with and approved by the commissioner. A brand registration must be renewed every three years in order to remain in effect. The fee for an initial

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brand registration is \$30. The fee for brand registration renewal is \$20. The brand label of a brand of intoxicating liquor or 3.2 percent malt liquor for which the brand registration has expired, is conclusively deemed abandoned by the manufacturer or importer.

(b) In this section "brand" and "brand label" include trademarks and designs used in connection with labels.

(c) The label of any brand of wine or intoxicating or nonintoxicating malt beverage may be registered only by the brand owner or authorized agent. No such brand may be imported into the state for sale without the consent of the brand owner or authorized agent. This section does not limit the provisions of section 340A.307.

(d) The commissioner shall refuse to register a malt liquor brand label, and shall revoke the registration of a malt liquor brand label already registered, if the brand label states or implies in a false or misleading manner a connection with an actual living or dead American Indian leader. This paragraph does not apply to a brand label registered for the first time in Minnesota before January 1, 1992.

Sec. 13. [340A.319] REPORTS BY BREWERS.

The commissioner may require a brewer that manufactures 25,000 or fewer barrels of malt liquor in any year to report to the commissioner, on a form and at the frequency the commissioner prescribes, on the total amount of malt liquor brewed by the brewer.

Sec. 14. [340A.32] TRANSPORTATION OF ALCOHOLIC BEVERAGES.

Subdivision 1. PERMIT REQUIRED. No person other than the holder of a valid retailer's identification card issued by the commissioner may transport distilled spirits or wine intended for resale to consumers without possessing a valid alcoholic beverage transporter's permit issued under this section.

Subd. 2. ISSUANCE OF PERMIT. (a) A person seeking a transporter's permit must submit an application, on a form the commissioner prescribes, that contains the applicant's name and address, and if a corporation, the names and addresses of the corporation's officers and such other information as the commissioner deems necessary.

(b) A permit under this section is valid for one year. The annual fee for the permit is \$20.

Subd. 3. SUSPENSION; REVOCATION: The commissioner may revoke, or suspend for up to 60 days, a permit under this subdivision, or impose on the permit holder a civil fine of not more than \$2,000 for each violation, on a finding that the permit holder has violated a provision of this chapter or a rule of the commissioner. A suspension or revocation is a contested case under the administrative procedure act.

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Subd. 4. PREMISES. For purposes of inspection of premises of transporter permit holders under section 340A.907, "premises" includes any vehicle the transporter uses to transport distilled spirits or wine.

Sec. 15. Minnesota Statutes 1993 Supplement, section 340A.402, is amended to read:

340A.402 PERSONS ELIGIBLE.

No retail license may be issued to:

(1) ~~a person not a citizen of the United States or a resident alien;~~

(2) a person under 21 years of age;

(3) ~~(2)~~ a person who has had an intoxicating liquor or nonintoxicating liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested;

(4) ~~(3)~~ a person not of good moral character and repute; or

(5) ~~(4)~~ a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a felony or a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage.

Sec. 16. Minnesota Statutes 1992, section 340A.404, subdivision 6, is amended to read:

Subd. 6. **COUNTIES.** (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, ~~or~~ club, or hotel with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated. Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

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Sec. 17. Minnesota Statutes 1992, section 340A.404, subdivision 10, is amended to read:

Subd. 10. **TEMPORARY ON-SALE LICENSES.** The governing body of a municipality may issue to a club or charitable, religious, or other nonprofit organization in existence for at least three years, or to a political committee registered under section 10A.14, a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the licensee. The license may authorize the on-sale of intoxicating liquor for not more than three consecutive days, and may authorize on-sales on premises other than premises the licensee owns or permanently occupies. The license may provide that the licensee may contract for intoxicating liquor catering services with the holder of a full-year on-sale intoxicating liquor license issued by any municipality. The licenses are subject to the terms, including a license fee, imposed by the issuing municipality. Licenses issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except section 340A.409 and those laws and ordinances which by their nature are not applicable. Licenses under this subdivision are not valid unless first approved by the commissioner of public safety.

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

Sec. 18. Minnesota Statutes 1992, section 340A.405, subdivision 1, is amended to read:

Subdivision 1. **CITIES.** (a) A city other than a city of the first class may issue with the approval of the commissioner, an off-sale intoxicating liquor license to an exclusive liquor store, or to a drugstore to which an off-sale license had been issued on or prior to May 1, 1994.

(b) A city of the first class may issue an off-sale license to an exclusive liquor store, a general food store to which an off-sale license had been issued on August 1, 1989, or a drugstore to which an off-sale license had been issued on or prior to May 1, 1994.

Sec. 19. Minnesota Statutes 1992, section 340A.405, subdivision 2, is amended to read:

Subd. 2. **COUNTIES.** (a) A county may issue an off-sale intoxicating license with the approval of the commissioner to exclusive liquor stores located within unorganized territory of the county.

(b) A county board of any county except Ramsey county containing a town exercising powers under section 368.01, subdivision 1, may issue an off-sale license to an exclusive liquor store within that town with the approval of the commissioner. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

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(c) A county board of any county except Ramsey county containing a town that may not exercise powers under section 368.01, subdivision 1, may issue an off-sale license to an exclusive liquor store within that town, or a combination off-sale and on-sale license to ~~restaurants~~ a restaurant within that town, with the approval of the commissioner pursuant to section 340A.404, subdivision 6. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(d) No license may be issued under this subdivision unless a public hearing is held on the issuance of the license. Notice must be given to all interested parties and to any city located within three miles of the premises proposed to be licensed. At the hearing the county board shall consider testimony and exhibits presented by interested parties and may base its decision to issue or deny a license upon the nature of the business to be conducted and its impact upon any municipality, the character and reputation of the applicant, and the propriety of the location. Any hearing held under this paragraph is not subject to chapter 14.

(e) A county board may not issue a license under this subdivision to a person for an establishment located less than one mile by the most direct route from the boundary of any statutory or home rule city that had established a municipal liquor store before August 1, 1991, provided, that a county board may not issue a new license under this subdivision to a person for an establishment located less than three miles by the most direct route from the boundary of a city that (1) is located outside the metropolitan area as defined in section 473.121, subdivision 2, (2) has a population over 5,000 according to the most recent federal decennial census, and (3) had established a municipal liquor store before August 1, 1991.

(f) The town board may impose an additional license fee in an amount not to exceed 20 percent of the county license fee.

(g) Notwithstanding any provision of this subdivision or Laws 1973, chapter 566, as amended by Laws 1974, chapter 200, a county board may transfer or renew a license that was issued by a town board under Minnesota Statutes 1984, section 340.11, subdivision 10b, prior to January 1, 1985.

Sec. 20. Minnesota Statutes 1992, section 340A.405, subdivision 4, is amended to read:

Subd. 4. **TEMPORARY OFF-SALE LICENSES; WINE AUCTIONS.** (a) The governing body of a city or county may issue a temporary license for the off-sale of wine at an auction with the approval of the commissioner. A license issued under this subdivision authorizes the sale of only vintage wine of a brand and vintage that is not commonly being offered for sale by any wholesaler in Minnesota. The license may authorize the off-sale of wine for not more than three consecutive days provided not more than 600 cases of wine are sold at any auction. The licenses are subject to the terms, including license fee, imposed by the issuing city or county. Licenses issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except section

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340A.409 and those laws and ordinances which by their nature are not applicable.

(b) As used in the subdivision, "vintage wine" means bottled wine which is at least five years old.

Sec. 21. Minnesota Statutes 1992, section 340A.410, is amended by adding a subdivision to read:

Subd. 10. TEMPORARY LICENSES; RESTRICTION ON NUMBER. A municipality may not issue more than three temporary licenses for the sale of alcoholic beverages to any one organization or registered political committee, or for any one location, within a 12-month period. This restriction applies to temporary licenses issued under sections 340A.403, subdivision 2, and 340A.404, subdivision 10.

Sec. 22. Minnesota Statutes 1992, section 340A.412, subdivision 3, is amended to read:

Subd. 3. LIMITATIONS ON ISSUANCE OF LICENSES TO ONE PERSON OR PLACE. (a) A municipality may not issue more than one off-sale intoxicating liquor license to any one person or for any one place.

(b) A municipality may not allow the same business name to be used by more than one of its off-sale intoxicating liquor licenses.

(c) For purposes of this subdivision, "person" means:

(1) a holder of an off-sale intoxicating liquor license;

(2) an officer, director, agent, or employee of a holder of an off-sale intoxicating liquor license; or

(3) an affiliate of a holder of an off-sale intoxicating liquor license, regardless of whether the affiliation is corporate or by management, direction, or control.

Sec. 23. Minnesota Statutes 1993 Supplement, section 340A.415, is amended to read:

340A.415 LICENSE REVOCATION OR SUSPENSION; CIVIL PENALTY.

~~The authority issuing any retail license or permit under this chapter or the commissioner shall either suspend for up to 60 days or revoke the license or permit or impose a civil penalty not to exceed \$2,000 for each violation. On a finding that the license or permit holder has (1) sold alcoholic beverages to another retail licensee for the purpose of resale, (2) purchased alcoholic beverages from another retail licensee for the purpose of resale, (3) conducted or permitted the conduct of gambling on the licensed premises in violation of the law, (4) failed to remove or dispose of alcoholic beverages when ordered by the commissioner~~

New language is indicated by underline, deletions by ~~strikeout~~.

to do so under section 340A.508, subdivision 3, or (5) failed to comply with an applicable statute, rule, or ordinance relating to alcoholic beverages, the commissioner or the authority issuing a retail license or permit under this chapter may revoke the license or permit, suspend the license or permit for up to 60 days, impose a civil penalty of up to \$2,000 for each violation, or impose any combination of these sanctions. No suspension or revocation takes effect until the license or permit holder has been given an opportunity for a hearing under sections 14.57 to 14.69 of the administrative procedure act. This section does not require a political subdivision to conduct the hearing before an employee of the office of administrative hearings. Imposition of a penalty or suspension by either the issuing authority or the commissioner does not preclude imposition of an additional penalty or suspension by the other so long as the total penalty or suspension does not exceed the stated maximum.

Sec. 24. Minnesota Statutes 1992, section 340A.416, subdivision 3, is amended to read:

Subd. 3. **EFFECT OF ELECTION RESULTS.** If a majority of persons voting on the referendum question ~~the~~ vote "against license," the city may not issue intoxicating liquor licenses until the results of the referendum have been reversed at a subsequent election where the question has been submitted as provided in this section.

Sec. 25. **[340A.418] WINE TASTINGS.**

Subdivision 1. DEFINITION. For purposes of this section, a "wine tasting" is an event of not more than four hours' duration at which persons pay a fee or donation to participate, and are allowed to consume wine by the glass without paying a separate charge for each glass.

Subd. 2. TASTINGS AUTHORIZED. (a) A charitable, religious, or other nonprofit organization may conduct a wine tasting on premises the organization owns or leases or has use donated to it, or on the licensed premises of a holder of an on-sale intoxicating liquor license that is not a temporary license, if the organization holds a temporary on-sale intoxicating liquor license under section 340A.404, subdivision 10, and complies with this section. An organization holding a temporary license may be assisted in conducting the wine tasting by another nonprofit organization.

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

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

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

(c) No wine at a wine tasting under this section may be sold, or orders taken, for off-premise consumption.

New language is indicated by underline, deletions by ~~strikeout~~.

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

Sec. 26. Minnesota Statutes 1992, section 340A.504, subdivision 2, is amended to read:

Subd. 2. **INTOXICATING LIQUOR; ON-SALE.** No sale of intoxicating liquor for consumption on the licensed premises may be made:

(1) between 1:00 a.m. and 8:00 a.m. on the days of Monday through Saturday;

(2) after 1:00 a.m. on Sundays, except as provided by subdivision 3;

~~(3) between 8:00 p.m. on December 24 and 8:00 a.m. on December 25, except that when December 25 occurs on a Sunday on-sales on that day are governed by subdivision 3.~~

Sec. 27. **[340A.5071] COUPONS PROHIBITED.**

A retailer of alcoholic beverages may not accept as full or partial payment for any product any coupons that are redeemed directly or indirectly from a manufacturer or wholesaler of alcoholic beverages.

Sec. 28. Minnesota Statutes 1992, section 340A.907, is amended to read:

340A.907 INSPECTION.

The commissioner of public safety or any duly authorized employee may, at all reasonable hours, enter in and upon the premises of any licensee or permit holder under this chapter to inspect the premises and examine the books, papers, and records of a manufacturer, wholesaler, importer, or retailer for the purpose of determining whether the provisions of this chapter are being complied with. If the commissioner or any duly authorized employee is denied free access or is hindered or interfered with in making an inspection or examination, the licensee or permit holder is subject to revocation pursuant to section 340A.304 in the case of a wholesaler, manufacturer, or importer, and section 340A.415 in the case of a retailer. For a holder of a temporary license under section 340A.403, subdivision 2, or 340A.404, subdivision 10, the commissioner's authority under this section extends for two years beyond the expiration of the temporary license or the permit.

Sec. 29. **ST. LOUIS COUNTY; OFF-SALE LICENSE.**

Notwithstanding Minnesota Statutes, section 340A.405, subdivision 2, paragraph (c), the St. Louis county board may issue one off-sale intoxicating liquor license to a premises located in Embarrass township.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 30. ST. PAUL; LICENSE AUTHORIZED.

(a) Notwithstanding any state or local law or charter provision, the city of St. Paul may issue an on-sale license to the College of St. Catherine catering service for the sale of wine and 3.2 percent malt liquor at O'Shaughnessy auditorium and St. Joseph's hall on the campus of the College of St. Catherine. The license may only authorize the licensee to dispense wine and 3.2 percent malt liquor to persons attending social events or performances at O'Shaughnessy auditorium or St. Joseph's hall.

(b) Notwithstanding any state or local law or charter provision, the city of St. Paul may issue an on-sale license to the catering service that serves the University of St. Thomas for the sale of wine and 3.2 percent malt liquor at the Murray Herrick Campus Center and the O'Shaughnessy Education Center on the campus of the University of St. Thomas. The license may only authorize the licensee to dispense wine and 3.2 percent malt liquor to persons attending events at the Murray Herrick Campus Center or the O'Shaughnessy Education Center.

(c) The licenses authorized by this section are in addition to any other licenses authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized by this section.

Sec. 31. EDEN PRAIRIE; ON-SALE LICENSES.

The Eden Prairie city council may issue eight on-sale intoxicating liquor licenses in addition to the number authorized by Minnesota Statutes, section 340A.413. The licenses are subject to all other provisions of Minnesota Statutes, chapter 340A.

Sec. 32. EAGAN; LICENSES AUTHORIZED.

The city of Eagan may issue not more than three on-sale intoxicating liquor licenses in addition to the number authorized by Minnesota Statutes, section 340A.413. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized by this section.

Sec. 33. CLAY COUNTY; OFF-SALE LICENSE.

Notwithstanding any state or local law or charter provision, the Clay county board may issue one off-sale intoxicating liquor license to a premises located in Elkton township. The license is subject to all other provisions of Minnesota Statutes, chapter 340A.

Sec. 34. BURNSVILLE; ADDITIONAL LICENSES.

The city of Burnsville may issue up to three on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized by this section.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 35. EFFECTIVE DATE.

Sections 2, 7, 8, 9, 10, 18, and 25 are effective the day following final enactment. Section 29 is effective on approval by the St. Louis county board and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 30 is effective on approval by the St. Paul city council and compliance with section 645.021, subdivision 3. Section 31 is effective on approval by the Eden Prairie city council and compliance with section 645.021, subdivision 3. Section 32 is effective on approval by the Eagan city council and compliance with section 645.021, subdivision 3. Section 33 is effective on approval by the Clay county board and compliance with section 645.021, subdivision 3. Section 34 is effective on approval by the Burnsville city council and compliance with sections 645.021, subdivision 3.

Presented to the governor May 5, 1994

Signed by the governor May 9, 1994, 4:52 p.m.

CHAPTER 612—S.F.No. 2197

An act relating to elections; codifying and recodifying the legislative district boundaries used for the 1992 election, with adjustments to avoid dividing the cities of Willernie and New Hope and simplify the division of Ham Lake; providing for distribution and correction of redistricting plans; amending Minnesota Statutes 1992, sections 2.031, subdivision 2; 2.043; 2.053; 2.063; 2.073; 2.083; 2.093, subdivision 2; 2.103; 2.113; 2.123; 2.133; 2.143; 2.153, subdivision 2; 2.163; 2.173; 2.183; 2.193; 2.203, subdivision 1; 2.213; 2.223; 2.233; 2.243; 2.253; 2.263; 2.273; 2.283; 2.293; 2.313; 2.323; 2.333; 2.343; 2.353; 2.363; 2.373; 2.383; 2.393; 2.403; 2.413; 2.433; 2.443; 2.453, subdivision 1; 2.463; 2.473, subdivision 2; 2.483, subdivision 2; 2.493; 2.503; 2.513, subdivision 1; 2.523; 2.533; 2.543, subdivision 1; 2.553; 2.563; 2.573; 2.583; 2.593, subdivision 2; 2.603; 2.613, subdivision 2; 2.623; 2.633, subdivision 2; 2.643; 2.653, subdivision 1; 2.663; 2.673; 2.683, subdivision 1; 2.693; and 2.703, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2.

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

Section 1. Minnesota Statutes 1992, section 2.031, subdivision 2, is amended to read:

Subd. 2. **DEFINITION.** The terms "county," "town," "township," "city," "ward," "precinct," "census tract," "block," and "unorganized territory" when used in a description of a legislative district in ~~Laws 1991, chapter 246 sections 2.043 to 2.703,~~ mean a geographical area established as such by law and as it existed for purposes of the 1990 federal census.

Sec. 2. Minnesota Statutes 1992, section 2.043, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.