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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1736

02/15/2023

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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; repealing the sale of 3.2 beer; authorizing the issuance of malt

1.3 liquor license to retailers currently licensed to sell 3.2 beer; repealing Minnesota

1.4 Statutes 2022, sections 340A.101, subdivision 19; 340A.403; 340A.408, subdivision

1.5 1; 340A.411; 340A.412, subdivision 6; 340A.504, subdivision 1.

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

1.7 Section 1. EXISTING 3.2 PERCENT MALT LIQUOR LICENSES.

1.8 (a) Notwithstanding any law to the contrary, by the effective date of this section, the

1.9 governing body of a city or county shall issue to a person that is currently licensed under

1.10 Minnesota Statutes, section 340A.403, subdivision 1, for the off-sale of 3.2 percent malt

1.11 liquor, a license for the off-sale of malt liquor not to exceed 5.5 percent alcohol by volume.

1.12 (b) Notwithstanding any law to the contrary, by the effective date of this section, the

1.13 governing body of a city or county shall issue to a person that is currently licensed under

1.14 Minnesota Statutes, section 340A.403, subdivision 1, for the on-sale of 3.2 percent malt

1.15 liquor, a license for the on-sale of malt liquor not to exceed 5.5 percent alcohol by volume.

1.16 (c) All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this

1.17 section, apply to the issuance of a license under this section.

1.18 EFFECTIVE DATE. This section is effective

1.19 Sec. 2. REVISOR INSTRUCTION.

1.20 The revisor of statutes, in consultation with the house research department and senate

1.21 counsel, research, and fiscal analysis, shall submit to the chairs of the house of representatives

1.22 and senate committees with jurisdiction over intoxicating liquor, for consideration in the

2.1 2024 regular session of the legislature, a technical bill removing references to 3.2 percent
2.2 malt liquor in Minnesota Statutes.

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

2.4 Sec. 3. **REPEALER.**

2.5 Minnesota Statutes 2022, sections 340A.101, subdivision 19; 340A.403; 340A.408,
2.6 subdivision 1; 340A.411; 340A.412, subdivision 6; and 340A.504, subdivision 1, are
2.7 repealed.

2.8 **EFFECTIVE DATE.** This section is effective

340A.101 DEFINITIONS.

Subd. 19. **3.2 percent malt liquor.** "3.2 percent malt liquor" is malt liquor containing not less than one-half of one percent alcohol by volume nor more than 3.2 percent alcohol by weight.

340A.403 3.2 PERCENT MALT LIQUOR LICENSES.

Subdivision 1. **Issuance by county or city.** The governing body of a city or county may issue off-sale or on-sale licenses for the sale of 3.2 percent malt liquor within their respective jurisdictions.

Subd. 2. **Temporary licenses.** (a) A club or charitable, religious, or nonprofit organization may be issued a temporary on-sale license for the sale of 3.2 percent malt liquor.

(b) The temporary license may authorize the sale of 3.2 percent malt liquor in any school or school buildings.

(c) Temporary licenses are subject to the terms set by the issuing county or city.

Subd. 3. **Exemption.** (a) Any person licensed to sell intoxicating liquor at on-sale shall not be required to obtain an on-sale license under this section, and may sell nonintoxicating malt beverages at on-sale without further license.

(b) Any person licensed to sell intoxicating liquor at off-sale shall not be required to obtain an off-sale license under this section, and may sell nonintoxicating malt beverages at off-sale without further license.

Subd. 4. **Notice to commissioner.** Within ten days of the issuance of a license under this section, a municipality shall inform the commissioner, on a form the commissioner prescribes, of the licensee's name and address and trade name, the effective date and expiration date of the license, and any other information on the license the commissioner requires.

340A.408 RETAIL LICENSE FEES.

Subdivision 1. **3.2 percent malt liquor.** (a) The license fee for an on-sale and off-sale 3.2 percent malt liquor license is the fee set by the county or city issuing the license.

(b) One-half of the license fee received by a county for a retail license to sell 3.2 percent malt liquor within any town in the county shall be paid to the town board where the business is located.

340A.411 LICENSE RESTRICTIONS; 3.2 PERCENT MALT LIQUOR LICENSES.

Subdivision 1. **On-sale licenses.** On-sale 3.2 percent malt liquor licenses may only be issued to drugstores, restaurants, hotels, clubs, bowling centers, golf courses, and establishments used exclusively for the sale of 3.2 percent malt liquor with the incidental sale of tobacco and soft drinks.

Subd. 2. **License duration.** All retail 3.2 percent malt liquor licenses must be issued for one year, except that for the purpose of coordinating the time of expiration of licenses in general, licenses may be issued for a shorter time, in which case a pro rata license fee must be charged.

Subd. 3. **Terminology.** A political subdivision may not issue a 3.2 percent malt liquor license that includes the term "nonintoxicating liquor."

340A.412 LICENSE RESTRICTIONS; INTOXICATING LIQUOR LICENSES.

Subd. 6. **Off-sale licenses where 3.2 percent malt liquor is sold.** An off-sale intoxicating liquor license may not be issued to a place where 3.2 percent malt liquor is sold for consumption on the premises. This subdivision does not apply to those places where both an on-sale and off-sale license or a combination license have been issued under section 340A.406.

340A.504 HOURS AND DAYS OF SALE.

Subdivision 1. **3.2 percent malt liquor.** No sale of 3.2 percent malt liquor may be made between 2:00 a.m. and 8:00 a.m. on the days of Monday through Saturday, nor between 2:00 a.m. and 10:00 a.m. on Sunday.