



Minnesota Department of Public Safety Alcohol and Gambling Enforcement

AGE's Mission



To protect and serve the public through uniform interpretation, regulation and enforcement of the state's liquor and gambling laws and rules. To maintain stability and integrity in the alcoholic beverage and gaming industries through management of licensing, education, regulation and enforcement.

Repeal of Prohibition



AMENDMENT XXI: Passed by Congress
Feb. 20, 1933. Ratified Dec. 5, 1933.



Section 1.

The eighteenth article of amendment to the Constitution of the United States is hereby repealed.

Section 2.

The transportation or importation into any State, Territory, or Possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

http://www.archives.gov/exhibits/charters/constitution_amendments_11-27.html

“Non-Intoxicating” Beer



In 1933, Congress passed a law stating that beer containing 3.2 percent alcohol by weight was non-intoxicating and therefore could be sold during prohibition. Intoxicating liquors over that percentage were prohibited.

Minnesota Rules Chapter 7515.1100 subpart 2 allows 3.2 licensed retail to sell 3.2 percent by weight beer. They can also sell product labeled using similar expression of like meaning which is 4 percent Alcohol By Volume (ABV).

Many coolers and seltzers are classified as beer in Minnesota and labeled as 4 percent ABV.

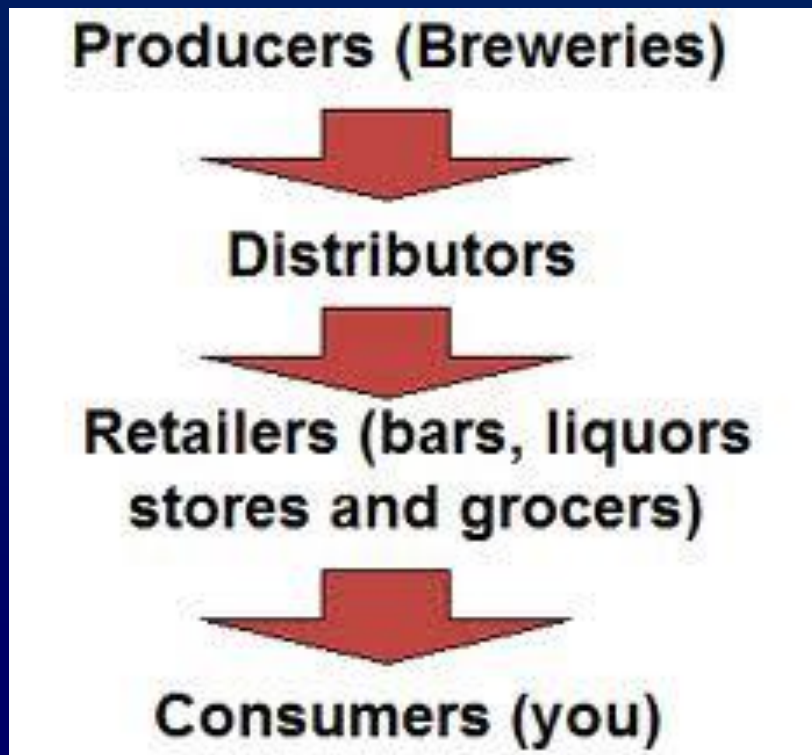
21st Amendment Passed



- Repeal of Prohibition gave states control of alcohol
 - Dry states
 - No alcohol
 - Control states
 - Control distribution
 - License states
 - Minnesota
 - State grants licenses for alcohol



The Three Tier System



- Import/Manufacture
- Wholesale Distribution
- Retail Sale

Who Can Have an Alcohol License?

MN Statute 340A.301 subdivision 2, 340A.402



- Must be 21
- No direct or indirect interest in a member of the other tiers.
- No felony conviction within five years.
- For retail, a felony conviction can affect renewal as city/county may choose not to renew.
- No liquor license revoked within five years.
- Good moral character and repute?



Liquor Manufacture

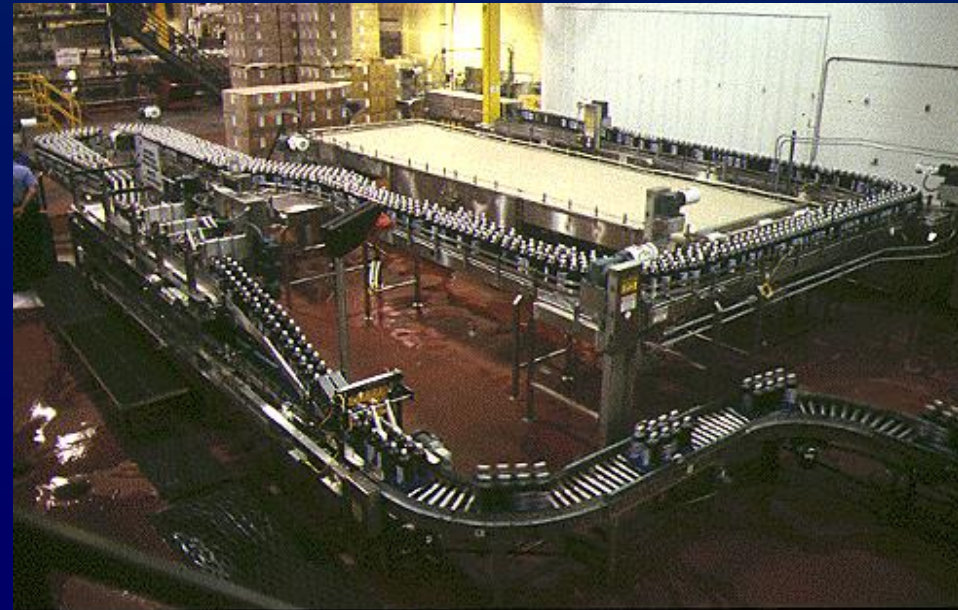


- License issued by AGE
- No wholesale or retail allowed



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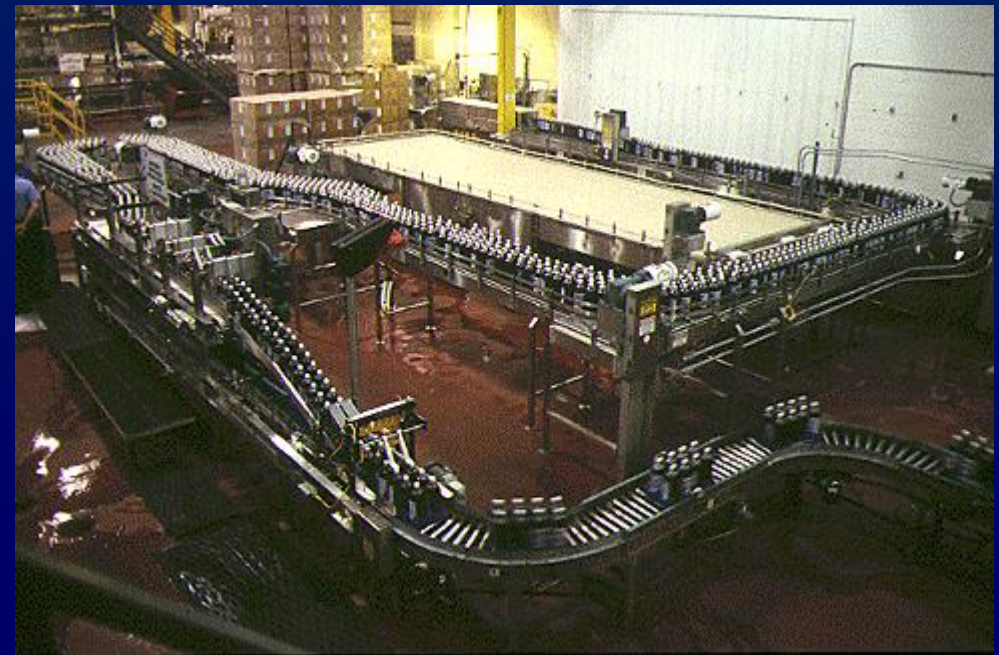
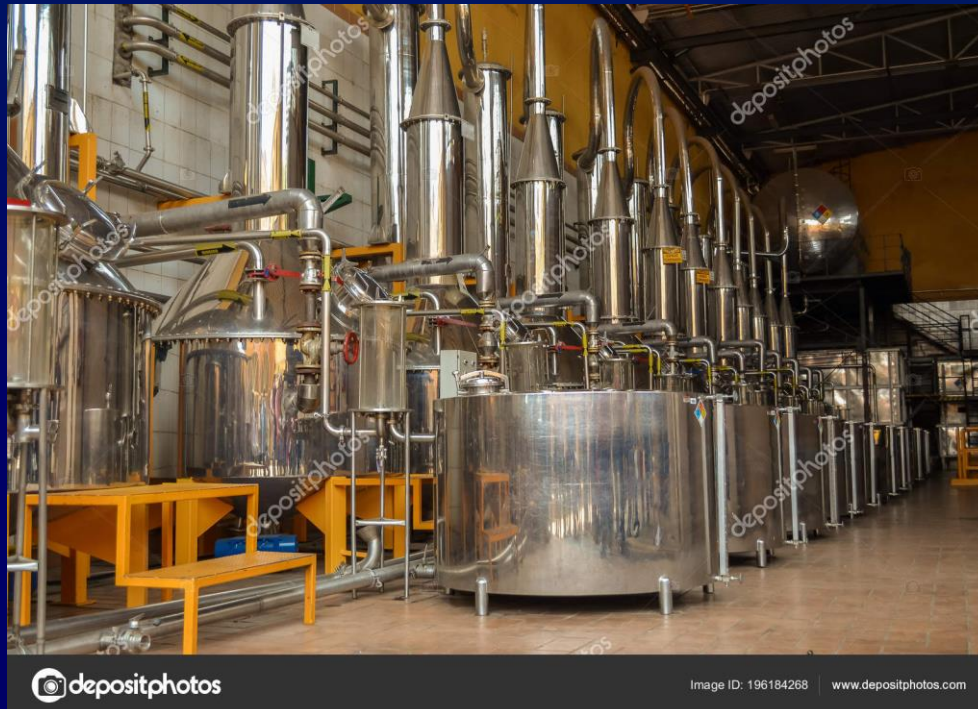
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Distilled Spirit Manufacture



- Large scale manufacture
- Annual license fee set by DPS Commissioner; license issued by AGE
- No wholesale allowed (can have retail cocktail room for spirits they manufacture).



Micro Distilleries

MN Statute 340A.22



Manufacturer of distilled spirits

Must be able to produce a proof gallon of spirits

- Small Micro Distiller produces up to 20,000 proof gallons
- Micro Distiller produces up to 40,000 proof gallons
- Fee set by AGE based on production
- Cannot self distribute
- Can provide 15 milliliter samples
- To qualify for retail distiller must produce 50 percent of the annual production of the licensee is processed and distilled on premises.



Distillery Cocktail Room

MN Statute 340A.22



- Cocktail Room License can only be issued to distillery licensed by AGE.
- A micro distillery cocktail room license authorizes on-sale of distilled liquor produced by the distiller for consumption on the premises of or adjacent to one distillery location owned by the distiller.
- Sunday sales allowed.
- Cocktail Room License is issued by the city, license fee set by city.



Distillery Off-Sale



Distilleries can sell

- Up to 750 milliliters
 - per person
 - per visit
 - per day
 - any bottle size up to the 750ml limit



*Off-sale hours and days of sale apply

MN Statutes 340A.22 and 340A.504
License fee set by issuing authority.



Brewer's License



- Micro Brewer – less than 2,000 barrels
- Small Brewer – less than 3,500 barrels
- MN Brewer – more than 3,500 barrels
- More than 20,000 barrels annually
 - no self distribution
 - MN Statute 340A.301



Brewery Taproom



Per MN Statute 340A.26



- "Brewer taproom license authorizes on-sale of malt liquor produced by the brewer for consumption on the premises of or adjacent to one brewery location owned by the brewer. "
- Brewer that brews more than 250,000 barrels of malt liquor annually would not qualify
- On-sale Taproom license is issued and approved by city.
- License fee set by city. City certifies issue to AGED.

Brewer Growler Off-Sale



MN Statutes 340A.28

- Brewer's who manufacture under 150,000 barrels annually may apply.
- Limited to 750 barrels dedicated to off-sale annually.
- Growler Sunday sales permitted
- Municipality issued state approved.
- Issuing Authority sets fee base on limits set forth in 340A.408
- 64 ounce or 750 milliliter container (glass, plastic, aluminum)
- Twist-type closure, cork, stopper, or plug
- Must have name and address of the brewer
- Must have label with type of malt beverage



Brewer Package Off-Sale



- MN Statutes 340A.29 Creates an additional off-sale license. (brewer can hold this license in addition to their Growler Off-Sale license)
- Brewer's who manufacture under 7,500 barrels annually may apply.
- Limited to 750 barrels dedicated to off-sale annually.
- Allowed to sell up to 128 ounces
- per customer per day
- Sunday sales permitted – Hours and Days of Off-Sale Apply
- Locally issued state approved.
- Issuing Authority sets fee base on limits set forth in 340A.408



Wine Manufacturer



- Intended to manufacture wine on a larger scale
- Can also be a craft winery that is not a farm winery
- Manufacture of wine can retail their wine at both on and off-sale with no additional license (MN Statute 340A.301 subdivision 10)
- CANNOT sell at wholesale to on/off retailers



Farm Winery

MN Statute 340A.315



Winery located on a MN Farm/Agricultural Land

Manufacture of wine:

- Wholesale to on/off retailers
- Can sell at on-sale and off-sale from the farm winery location
- An optional on-sale/county on-sale license to sell other alcoholic beverages



Importer License



MN Statute 340A.302 & 340A.3021

- No retail or person may ship alcohol beverages or ethyl alcohol without obtaining importer's license
- Alcohol brought in from out of state must go to a licensed wholesaler's warehouse; product must come to rest at warehouse
- Brands/labels imported must be registered within the state by importer
- *It is FELONY to import alcohol to re-sale without license MN Statute 340A.701*
- Look for products that you do not see commonly, distributors list the states they sell to on websites



Brand Label Registration

Minnesota Statute 340A.311

Minnesota Rules Chapter 7515.0850

- Minnesota wholesalers cannot sell unregistered brands.
- Wholesaler shall ascertain proper brand label registration prior to selling any alcoholic beverage product to retail.
- Currently as of 2/24/2025 there are 78,920 brands registered in MN.

Unlicensed Manufacture in Minnesota



"Creativity" in the Industry



Wholesale/Distribution



- MN Statute 340A.301, 340A.305, 340A.3055
- Provide the second tier between manufacturer and retail sales
- Can work directly with importer or company can also have import license
- Must offer same prices and brands to all retail sales
- Distilled Spirits wholesale allows for all sales of all alcohol product
- Malt Beverage wholesale allows for sales of malt beverages and wine



Brew Pubs



MS 340A.24 Brew Pubs:

- Retail on-sale liquor license (Full on-sale or Wine & Beer license required)
- Issued to a restaurant
- Manufacture malt beverage on premise to serve on premise
- Off-Sale growler license (with additional license)

Local Authorities Issue



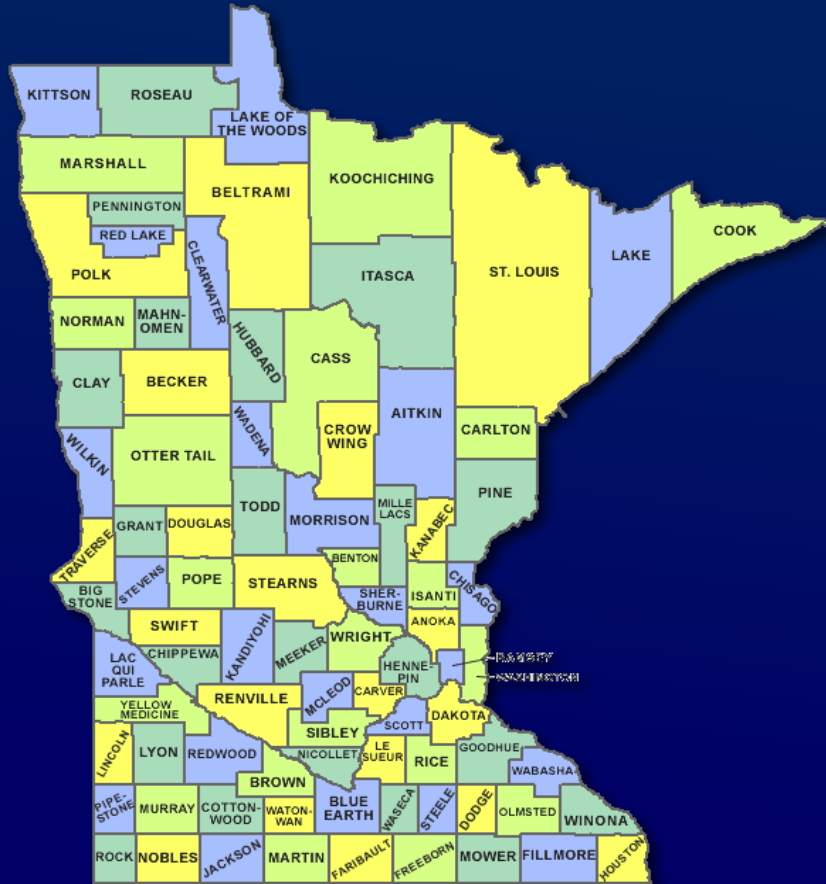
- 3.2 Off-sales
- 3.2 On-sales
- City On-sales
- Municipal Off-sale
- Municipal On-sale
- Municipal Combination
- Temporary licenses

Local Restrictions



340A.509 LOCAL RESTRICTIONS.

A local authority may impose further restrictions and regulations on the sale and possession of alcoholic beverages within its jurisdiction.



- Evacuation ordinance
- Sunday restrictions
- Number of On/Off Sale licenses
- Fee Structure

License Required



340A.401 LICENSE REQUIRED.

EXCEPT AS PROVIDED IN THIS CHAPTER, NO PERSON MAY DIRECTLY OR INDIRECTLY, ON ANY PRETENSE OR BY ANY DEVICE, SELL, BARTER, KEEP FOR SALE, CHARGE FOR POSSESSION, OR OTHERWISE DISPOSE OF ALCOHOLIC BEVERAGES AS PART OF A COMMERCIAL TRANSACTION WITHOUT HAVING OBTAINED THE REQUIRED LICENSE OR PERMIT.



Licensing Info



- Liquor Licenses are not a commodity, they cannot be sold or given to another
- Not transferable - New owner = New License
- Not movable - New location = New License



On-Sale Intoxicating Liquor License

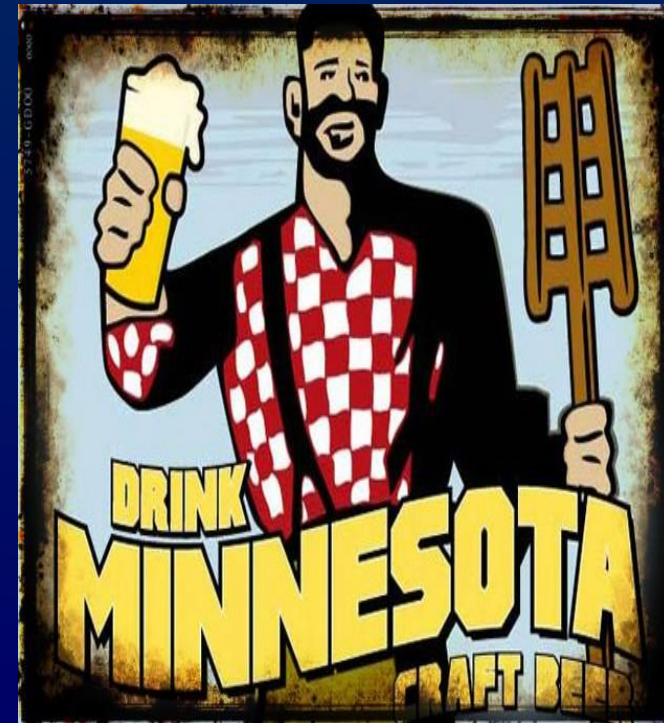
MN Statute 340A.404



On-sale is the sale of alcoholic beverages for consumption on the licensed premises only.

Allows for the sale and service of all liquor types:

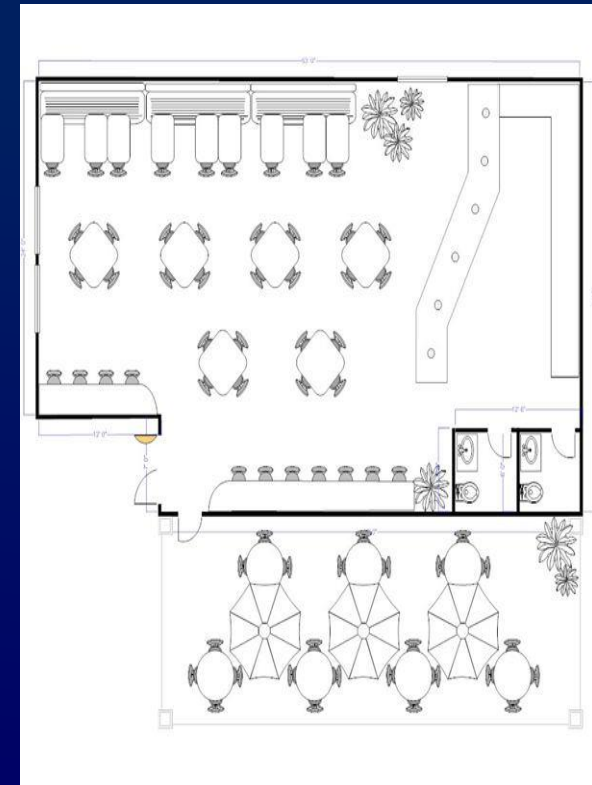
- Intoxicating liquor
- Wine
- Malt beverage
- 3.2 beer
- Fee set by city



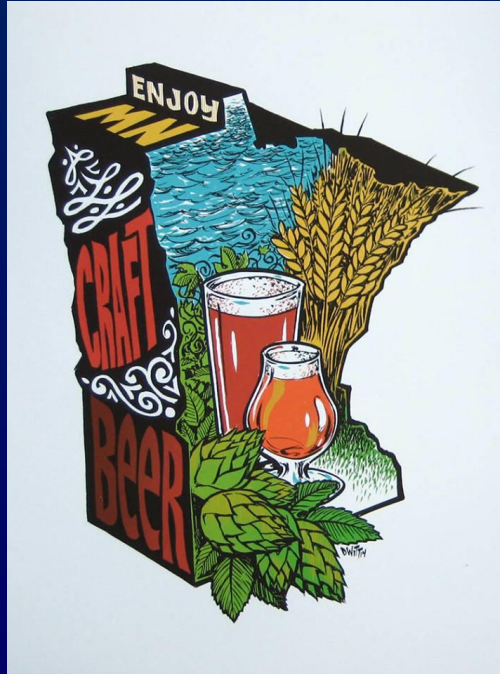
What is Licensed?



- Licensed premises is the premises described in the approved license application (i.e. patio or adjoining space)
 - Must be compact and contiguous
(MN Statute 340A.410 subd.7, MN Rules 7515.0430 subp.2)
 - No parking lots (*areas where motor vehicles are regularly parked or operated*)
- *Exception only for restaurants, clubs or exclusive on-sale located on golf course
(MN Statute 340A.101 Subd.15)



On-Sale License



On-sale issued to:

(MN Statute 340A.404 subd.1)

- Hotels
- Restaurants – Can have wine with strong beer or full liquor
- Bowling Centers
- Clubs full on-sale or sales to members and bona fide guests
- Exclusive Liquor Stores
- Theater
- Convention Centers (*not metro area*)

Liquor Licenses

MN 340A.404 subdivision 1



City/County May Issue On-Sale License to: A resort as referenced in Minnesota Statutes 157.15 subdivision 11.

A municipality may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a summer collegiate league baseball team or baseball team competing in a league established by the Minnesota Baseball Association. or to a person holding a concessions or management contract with the owner, for beverage sales at a ballpark or stadium.

A municipality may issue an on-sale intoxicating liquor license to an auto racing facility located in the city municipality.

Off-Sale Liquor license

MN Statute 340A.405



Off-sale is the sale of alcoholic beverages in original packages for consumption off the licensed premises only
Exclusive liquor store" is an establishment used exclusively for the sale of the following items;

- (1) alcoholic beverages;
- (2) tobacco products;
- (3) ice;
- (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;
- (5) soft drinks;
- (6) liqueur-filled candies;
- (7) food products that contain more than one-half of one percent alcohol by volume;
- (8) cork extraction devices;
- (9) books and videos on the use of alcoholic beverages;
- (10) magazines and other publications published primarily for information and education on alcoholic beverages;
- (11) multiple-use bags designed to carry purchased items;
- (12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;
- (13) home brewing equipment;
- (14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo;
- (15) citrus fruit;
- (16) glassware;
- (17) edible cannabinoid products as defined in section 151.72, subdivision 1, paragraph (e); and
- (18) products that detect the presence of fentanyl or a fentanyl analog.

Combination License Off-Sale

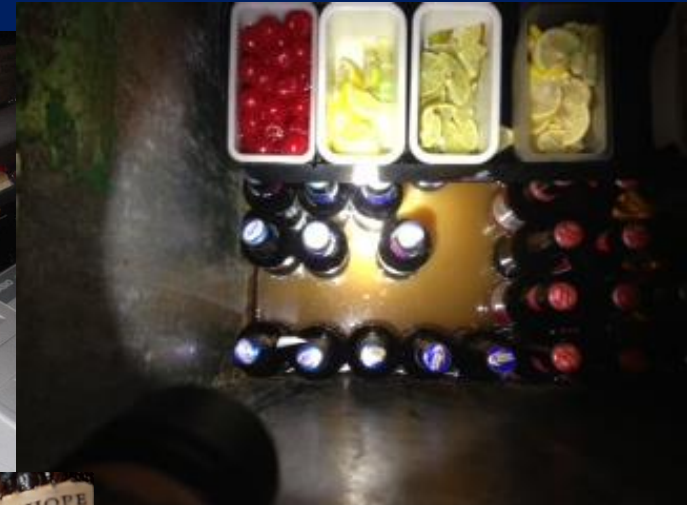
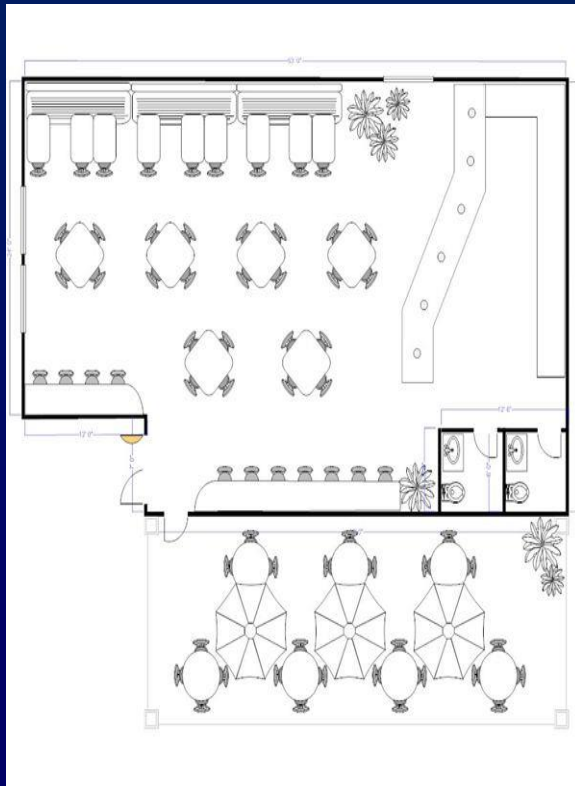
MN Statute 340A.406



- Issued in combination with an On-Sale Intoxicating license that is not a Wine License or a Club license.
- Off-Sales may be from behind the bar or from a “bottle shop”
- May have access to other business

Applies to counties, cities of the fourth class or a statutory city with a population of 10,000 or fewer. A city who issues these types of licenses may continue to do so when the population exceeds 10,000.

AGE Agents Conduct Pre-license & Routine Inspections



AGE Agents Regulate And Enforce



Criminal Investigation - primarily result in criminal charges felony, gross misdemeanor, misdemeanor.

Regulatory Investigations – primarily result in agency action taken by AGED against an industry member's license to do business in Minnesota.

- This is a civil action and can result in a fine, license suspension, license revocation, or a verbal or written warning
- The imposition of civil penalties is provided for under the provisions of M.S. Chapter 340A.304 and 340A.415. Fines go to license holder per 340A.501.

Common Types of Investigations



- Unlicensed sale, unlicensed import of alcohol either at the retail, wholesale, or import level
M.S. 340A.302, 302 and 401.
- Unregistered product brands being manufactured/sold in the state
- Illegal retail/wholesale related to tax
- delinquent
- Wholesale Credit List



Salvage Inspection





Questions?