

1.1 ..... moves to amend H.F. No. 2767 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 LIQUOR REGULATION

1.5 Section 1. Minnesota Statutes 2020, section 340A.101, subdivision 16, is amended to  
1.6 read:

1.7 Subd. 16. **Malt liquor.** "Malt liquor" is any ~~beer, ale, or other~~ beverage made from malt  
1.8 by fermentation, or by the fermentation of malt substitutes, including rice, grain of any kind,  
1.9 glucose, sugar, or molasses, which has not undergone distillation, and containing not less  
1.10 than one-half of one percent alcohol by volume. "Beer" means any beverage meeting the  
1.11 definition of malt liquor under this subdivision.

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

1.13 Sec. 2. Minnesota Statutes 2020, section 340A.22, subdivision 1, is amended to read:

1.14 Subdivision 1. **Activities.** (a) A microdistillery licensed under this chapter may provide  
1.15 on its premises samples of distilled spirits manufactured on its premises, in an amount not  
1.16 to exceed 15 milliliters per variety per person. No more than 45 milliliters may be sampled  
1.17 under this paragraph by any person on any day.

1.18 (b) A microdistillery or other licensed manufacturer of distilled spirits can sell cocktails  
1.19 to the public, pursuant to subdivision 2.

1.20 (c) A microdistillery or other licensed manufacturer of distilled spirits may not operate  
1.21 a cocktail room under subdivision 2 or conduct sales at off-sale under subdivision 4 unless  
1.22 at least 50 percent of the annual production of the licensee is processed and distilled on  
1.23 premises.

2.1 (d) For purposes of calculating annual production under paragraph (c), distilled spirits  
2.2 that are bottled by the licensee under a contract bottling agreement with a third party are  
2.3 excluded from the licensee's annual production if the:

2.4 (1) third-party contractor is an independent entity that is not owned or controlled by the  
2.5 licensee;

2.6 (2) distilled spirits bottled under a third-party contract are not available for sale or  
2.7 marketed by the licensee or the third party at any location licensed under subdivision 2 or  
2.8 4; and

2.9 (3) distilled spirits bottled under a third-party contract are available for distribution by  
2.10 wholesalers.

2.11 ~~(d)~~ (e) Distilled spirits produced or in production prior to July 1, 2017, are not counted  
2.12 as part of the calculations under paragraph (c).

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

2.14 Sec. 3. Minnesota Statutes 2020, section 340A.22, subdivision 2, is amended to read:

2.15 Subd. 2. **Cocktail room license.** (a) A municipality, including a city with a municipal  
2.16 liquor store, may issue the holder of a microdistillery license or distilled spirits manufacturer  
2.17 license under this chapter a ~~microdistillery~~ cocktail room license. A ~~microdistillery~~ cocktail  
2.18 room license authorizes on-sale of distilled liquor produced by the distiller for consumption  
2.19 on the premises of or adjacent to one distillery location owned by the distiller.

2.20 Notwithstanding section 340A.504, subdivision 3, a cocktail room may be open and may  
2.21 conduct on-sale business on Sundays if authorized by the municipality. Nothing in this  
2.22 subdivision precludes the holder of a ~~microdistillery~~ cocktail room license from also holding  
2.23 a license to operate a restaurant at the distillery. Section 340A.409 shall apply to a license  
2.24 issued under this subdivision. All provisions of this chapter that apply to a retail liquor  
2.25 license shall apply to a license issued under this subdivision unless the provision is explicitly  
2.26 inconsistent with this subdivision.

2.27 (b) A distiller may only have one cocktail room license under this subdivision, ~~and may~~  
2.28 ~~not have an ownership interest in a distillery licensed under section 340A.301, subdivision~~  
2.29 ~~6, clause (a).~~

2.30 (c) The municipality shall impose a licensing fee on a distiller holding a ~~microdistillery~~  
2.31 cocktail room license under this subdivision, subject to limitations applicable to license fees  
2.32 under section 340A.408, subdivision 2, paragraph (a).

3.1 (d) A municipality shall, within ten days of the issuance of a license under this  
3.2 subdivision, inform the commissioner of the licensee's name and address and trade name,  
3.3 and the effective date and expiration date of the license. The municipality shall also inform  
3.4 the commissioner of a license transfer, cancellation, suspension, or revocation during the  
3.5 license period.

3.6 (e) No single entity may hold both a cocktail room and taproom license, and a cocktail  
3.7 room and taproom may not be colocated.

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

3.9 Sec. 4. Minnesota Statutes 2020, section 340A.22, subdivision 4, is amended to read:

3.10 Subd. 4. **Off-sale license.** (a) A microdistillery may be issued a license by the local  
3.11 licensing authority for off-sale of distilled spirits, with the approval of the commissioner.  
3.12 The license may allow ~~the sale of one 375 milliliter bottle per customer per day of product~~  
3.13 ~~manufactured on-site~~ sales as provided in paragraph (b), subject to the following  
3.14 requirements:

3.15 (1) off-sale hours of sale must conform to hours of sale for retail off-sale licensees in  
3.16 the licensing municipality; and

3.17 (2) no brand may be sold at the microdistillery unless it is also available for distribution  
3.18 by wholesalers.

3.19 (b) The license allows a microdistillery to sell product manufactured on-site to each  
3.20 customer per day under either one of the following amount and container size limitations:

3.21 (1) up to a total of 750 milliliters, in any size container approved under paragraph (c);

3.22 or

3.23 (2) up to a total of 1.125 liters, in any size container approved under paragraph (c) that  
3.24 does not exceed 375 milliliters.

3.25 (c) The commissioner may approve any standard fill as approved by the Alcohol and  
3.26 Tobacco Tax and Trade Bureau.

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

3.28 Sec. 5. Minnesota Statutes 2020, section 340A.28, subdivision 2, is amended to read:

3.29 Subd. 2. **Prohibition.** A municipality may not issue a license under this section to a  
3.30 brewer if the brewer seeking the license, or any person having an economic interest in the  
3.31 brewer seeking the license or exercising control over the brewer seeking the license, is a

4.1 brewer that brews more than ~~20,000~~ 150,000 barrels of its own brands of malt liquor annually  
4.2 or a winery that produces more than 250,000 gallons of wine annually.

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

4.4 Sec. 6. **[340A.29] OFF-SALE PACKAGING REQUIREMENTS FOR CERTAIN**  
4.5 **SMALL BREWERS.**

4.6 Subdivision 1. **Certain off-sale authorized.** Notwithstanding any law to the contrary,  
4.7 and in addition to the off-sale of malt liquor allowed under section 340A.28, a brewer  
4.8 licensed under section 340A.301, subdivision 6, clause (c), (i), or (j), that produces 7,500  
4.9 barrels or less of malt liquor annually may be issued a license by a municipality for off-sale  
4.10 of up to 128 ounces per customer per day of malt liquor at its licensed premises that has  
4.11 been produced and packaged by the brewer, as provided in subdivision 2. The license must  
4.12 be approved by the commissioner. The amount of malt liquor sold at off-sale under this  
4.13 section must be included in calculating the annual barrel limit imposed in section 340A.28,  
4.14 subdivision 1.

4.15 Subd. 2. **Packaging.** Malt liquor authorized for off-sale pursuant to subdivision 1 must  
4.16 be packaged in a container that is in compliance with the provisions of Minnesota Rules,  
4.17 parts 7515.1080 to 7515.1120.

4.18 Subd. 3. **Off-sale not exclusive.** Any brand sold under this section must be made available  
4.19 for sale to a malt liquor wholesaler, including a wholesaler owned in whole or in part by a  
4.20 brewer as allowed in section 340A.301, subdivision 9.

4.21 Subd. 4. **Exception; production in 2021.** Notwithstanding the 7,500 barrel limit in  
4.22 subdivision 1, a brewer licensed under section 340A.301, subdivision 6, clause (c), (i), or  
4.23 (j), that produced more than 5,500 barrels but not more than 13,500 barrels of malt liquor  
4.24 in calendar year 2021, as demonstrated by records from the Minnesota Department of  
4.25 Revenue, may be issued a license under this section, provided that a brewer is only allowed  
4.26 to make the sales authorized in this section until the brewer's production exceeds its 2021  
4.27 production amount by 2,000 barrels.

4.28 Subd. 5. **Other laws.** All other requirements of chapter 340A, not inconsistent with this  
4.29 section apply.

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

5.1 Sec. 7. Minnesota Statutes 2020, section 340A.301, subdivision 8, is amended to read:

5.2 Subd. 8. **Interest in other business.** (a) Except as provided in this subdivision, a holder  
5.3 of a license as a manufacturer, brewer, importer, or wholesaler may not have any ownership,  
5.4 in whole or in part, in a business holding a retail intoxicating liquor or 3.2 percent malt  
5.5 liquor license. The commissioner may not issue a license under this section to a manufacturer,  
5.6 brewer, importer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect  
5.7 interest in the manufacturer, brewer, importer, or wholesaler. A manufacturer or wholesaler  
5.8 of intoxicating liquor may use or have property rented for retail intoxicating liquor sales  
5.9 only if the manufacturer or wholesaler has owned the property continuously since November  
5.10 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the  
5.11 manufacture or wholesaling of intoxicating liquor.

5.12 (b) Except as provided in subdivision 9, no brewer as defined in subdivision 9 or importer  
5.13 may have any interest, in whole or in part, directly or indirectly, in the license, business,  
5.14 assets, or corporate stock of a licensed malt liquor wholesaler.

5.15 (c) A winery holding a license under subdivision 6, paragraph (b) that produces and  
5.16 sells, including sales from the winery's premises, no more than 2,500 barrels or its metric  
5.17 equivalent of cider made from apples in a calendar year may own or have an interest in a  
5.18 wholesaler that sells only the winery's apple-based cider products. The winery eligible to  
5.19 own or have an interest in a wholesaler under this subdivision must provide the commissioner  
5.20 with an affidavit stating that no existing wholesaler is available to represent and distribute  
5.21 the winery's apple-based cider to retail license holders.

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

5.23 Sec. 8. Minnesota Statutes 2020, section 340A.307, subdivision 1, is amended to read:

5.24 Subdivision 1. **Nondiscriminatory sales.** All licensed importers and manufacturers  
5.25 must offer for sale on an equal basis to all licensed wholesalers and manufacturers all  
5.26 intoxicating liquor brought into or produced in the state of Minnesota.

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

5.28 Sec. 9. Minnesota Statutes 2020, section 340A.307, subdivision 2, is amended to read:

5.29 Subd. 2. **Prohibited practices.** Without limiting subdivision 1, the following are failures  
5.30 to offer intoxicating liquor for sale on an equal basis and are unlawful:

5.31 (1) A refusal to sell to a wholesaler or manufacturer intoxicating liquor offered for sale  
5.32 to any other wholesaler or manufacturer, except when a wholesaler or manufacturer is in

6.1 arrears on payments for past purchases from the importer or manufacturer who refuses to  
6.2 sell.

6.3 (2) A sale of intoxicating liquor to a wholesaler or manufacturer at a price different from  
6.4 that offered to another wholesaler or manufacturer, exclusive of shipping costs, except that  
6.5 quantity discounts based on actual cost savings may be uniformly offered to all wholesalers  
6.6 and manufacturers.

6.7 (3) A sale of intoxicating liquor to a wholesaler or manufacturer on terms of purchase  
6.8 different from those offered another wholesaler or manufacturer, except that when the  
6.9 importer or manufacturer reasonably believes that a wholesaler or manufacturer will be  
6.10 unable to comply with the existing terms of credit, other terms may be employed, including  
6.11 denial of credit.

6.12 (4) Discrimination among wholesalers and manufacturers in satisfying their respective  
6.13 demands for intoxicating liquor.

6.14 (5) A sale conditioned on an agreement which restricts the wholesaler or manufacturer  
6.15 with respect to customers, area for distribution, or resale price, or which otherwise restrains  
6.16 the wholesaler or manufacturer from competing in trade and commerce.

6.17 (6) For purposes of this subdivision and subdivision 1 only, the term "intoxicating liquor"  
6.18 does not include "pop wines" as they are defined by rule of the commissioner.

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

6.20 Sec. 10. Minnesota Statutes 2020, section 340A.307, subdivision 4, is amended to read:

6.21 Subd. 4. **Exceptions.** Nothing in this section applies to: wine or malt liquor of any alcohol  
6.22 content.

6.23 ~~(1) wine or malt liquor of any alcohol content;~~

6.24 ~~(2) intoxicating liquor which is:~~

6.25 ~~(i) further distilled, refined, rectified, or blended within the state; and~~

6.26 ~~(ii) bottled within the state and labeled with the importer's own labels after importation~~  
6.27 ~~into the state; or~~

6.28 ~~(3) any brand of intoxicating liquor which is offered for sale only in this state. No such~~  
6.29 ~~brand shall vary from an existing or new brand sold in another state in any manner as to~~  
6.30 ~~brand name, age, or proof of the product.~~

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

7.1 Sec. 11. Minnesota Statutes 2020, section 340A.404, subdivision 1, is amended to read:

7.2 Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the  
7.3 following establishments located within its jurisdiction:

7.4 (1) hotels;

7.5 (2) restaurants;

7.6 (3) bowling centers;

7.7 (4) clubs or congressionally chartered veterans organizations with the approval of the  
7.8 commissioner, provided that the organization has been in existence for at least three years  
7.9 and liquor sales will only be to members and bona fide guests, except that a club may permit  
7.10 the general public to participate in a wine tasting conducted at the club under section  
7.11 340A.419;

7.12 (5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the  
7.13 Minnesota Sports Facilities Authority;

7.14 (6) sports facilities located on land owned by the Metropolitan Sports Commission; and

7.15 (7) exclusive liquor stores.

7.16 (b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or  
7.17 an on-sale malt liquor license to a theater within the city, notwithstanding any law, local  
7.18 ordinance, or charter provision. A license issued under this paragraph authorizes sales on  
7.19 all days of the week to persons attending events at the theater.

7.20 (c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or  
7.21 an on-sale malt liquor license to a convention center within the city, notwithstanding any  
7.22 law, local ordinance, or charter provision. A license issued under this paragraph authorizes  
7.23 sales on all days of the week to persons attending events at the convention center. This  
7.24 paragraph does not apply to convention centers located in the seven-county metropolitan  
7.25 area.

7.26 (d) A city municipality may issue an on-sale wine license and an on-sale malt liquor  
7.27 license to a person who is the owner of a summer collegiate league baseball team, or baseball  
7.28 team competing in a league established by the Minnesota Baseball Association, or to a  
7.29 person holding a concessions or management contract with the owner, for beverage sales  
7.30 at a ballpark or stadium located within the city municipality for the purposes of summer  
7.31 collegiate league baseball games, town ball games, and any other events at the ballpark or  
7.32 stadium, notwithstanding any law, local ordinance, or charter provision. A license issued

8.1 under this paragraph authorizes sales on all days of the week to persons attending baseball  
8.2 games and any other events at the ballpark or stadium.

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

8.4 Sec. 12. Minnesota Statutes 2020, section 340A.404, subdivision 10, is amended to read:

8.5 Subd. 10. **Temporary on-sale licenses.** (a) The governing body of a municipality may  
8.6 issue to (1) a club or charitable, religious, or other nonprofit organization in existence for  
8.7 at least three years, (2) a political committee registered under section 10A.14, or (3) a state  
8.8 university, a temporary license for the on-sale of intoxicating liquor in connection with a  
8.9 social event within the municipality sponsored by the licensee. The license may authorize  
8.10 the on-sale of intoxicating liquor for not more than four consecutive days, except as provided  
8.11 for county fairs in section 340A.410, subdivision 10, and may authorize on-sales on premises  
8.12 other than premises the licensee owns or permanently occupies. The license may provide  
8.13 that the licensee may contract for intoxicating liquor catering services with the holder of a  
8.14 full-year on-sale intoxicating liquor license issued by any municipality. The licenses are  
8.15 subject to the terms, including a license fee, imposed by the issuing municipality. Licenses  
8.16 issued under this subdivision are subject to all laws and ordinances governing the sale of  
8.17 intoxicating liquor except sections 340A.409 and 340A.504, subdivision 3, paragraph (d),  
8.18 and those laws and ordinances which by their nature are not applicable. Licenses under this  
8.19 subdivision are not valid unless first approved by the commissioner of public safety.

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

8.22 (c) The governing body of a municipality may issue to a brewer who manufactures fewer  
8.23 than 3,500 barrels of malt liquor in a year or a microdistillery a temporary license for the  
8.24 on-sale of intoxicating liquor in connection with a social event within the municipality  
8.25 sponsored by the brewer or microdistillery. The terms and conditions specified for temporary  
8.26 licenses under paragraph (a) shall apply to a license issued under this paragraph, except that  
8.27 the requirements of section 340A.409, subdivisions 1 to 3a, shall apply to the license.

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

8.29 Sec. 13. Minnesota Statutes 2020, section 340A.410, subdivision 10, is amended to read:

8.30 Subd. 10. **Temporary licenses; restrictions.** (a) A municipality may not issue more  
8.31 than three four-day, four three-day, six two-day, or 12 one-day temporary licenses, in any  
8.32 combination not to exceed 12 days per year, under section 340A.404, subdivision 10, for



9.1 the sale of alcoholic beverages to any one organization or registered political committee,  
9.2 or for any one location, within a 12-month period.

9.3 (b) A municipality may not issue more than one temporary license under section  
9.4 340A.404, subdivision 10, for the sale of alcoholic beverages to any one organization or  
9.5 registered political committee, or for any one location, within any 30-day period unless the  
9.6 licenses are issued in connection with an event officially designated a community festival  
9.7 by the municipality.

9.8 This restriction does not apply to a municipality with a population of ~~5,000~~ 10,000 or  
9.9 fewer people.

9.10 (c) A municipality that issues separate temporary wine and liquor licenses may separately  
9.11 apply the limitations contained in paragraphs (a) and (b) to the issuance of such licenses to  
9.12 any one organization or registered political committee, or for any one location.

9.13 (d) In addition to the temporary licenses authorized in paragraph (a), a municipality may  
9.14 issue one seven-day temporary license per year to a county agricultural society established  
9.15 under section 38.01, for alcoholic beverage sales at a county fair.

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

9.17 Sec. 14. Minnesota Statutes 2020, section 340A.412, subdivision 14, is amended to read:

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

9.20 (1) alcoholic beverages;

9.21 (2) tobacco products;

9.22 (3) ice;

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

9.25 (5) soft drinks;

9.26 (6) liqueur-filled candies;

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

9.28 (8) cork extraction devices;

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

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

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

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

10.6 (13) home brewing equipment; ~~and~~

10.7 (14) clothing marked with the specific name, brand, or identifying logo of the exclusive  
10.8 liquor store, and bearing no other name, brand, or identifying logo;

10.9 (15) citrus fruit; and

10.10 (16) glassware.

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

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

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

10.16 Sec. 15. Minnesota Statutes 2020, section 340A.504, is amended by adding a subdivision  
10.17 to read:

10.18 **Subd. 8. Extended hours for on-sale; World Cup.** Notwithstanding the restrictions on  
10.19 the days and hours for on-sale of intoxicating liquor or 3.2 percent malt liquor in this section,  
10.20 during a FIFA Women's World Cup competition or FIFA World Cup competition, a licensing  
10.21 jurisdiction may, at its discretion, issue special permits for service of alcohol through  
10.22 extended hours. The permit only authorizes the sale of alcoholic beverages 30 minutes  
10.23 before, during, and 30 minutes after a scheduled broadcast of a live World Cup match. The  
10.24 sales authorized under this subdivision are not allowed during broadcasts of previously  
10.25 played matches. Only holders of an existing on-sale intoxicating liquor license or a 3.2  
10.26 percent malt liquor license are eligible for the extended hours. Local licensing jurisdictions  
10.27 issuing special permits to operate with extended hours under this subdivision may charge  
10.28 a fee up to but not to exceed \$250 for a permit. In the process of issuing a permit under this  
10.29 section, the licensing jurisdiction may limit approval to specified geographic, zoning, or  
10.30 license classifications within its jurisdiction.

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

11.1 **Sec. 16. [340A.915] LIQUOR REGULATION ADVISORY COUNCIL.**

11.2 **Subdivision 1. Creation; composition.** (a) There is created a permanent Liquor  
11.3 Regulation Advisory Council. This council does not expire unless the council no longer  
11.4 fulfills the purpose for which the council was established, the council has not met in the  
11.5 last 18 months, or the council does not comply with the registration requirements of section  
11.6 15.0599, subdivision 3. The council shall consist of nine voting members, to be appointed  
11.7 by the governor as follows:

11.8 (1) three members must represent retailers, as follows:

11.9 (i) one member must represent or be employed by a municipal liquor store established  
11.10 under section 340A.601;

11.11 (ii) one member must represent or be employed by an exclusive liquor store; and

11.12 (iii) one member must represent or be employed by a restaurant that has been issued an  
11.13 on-sale intoxicating liquor license under section 340A.404, subdivision 1, paragraph (a),  
11.14 clause (2), or subdivision 6;

11.15 (2) three members must represent wholesalers, as follows:

11.16 (i) one member must be a member of an organized labor organization representing the  
11.17 employees of a wholesaler;

11.18 (ii) one member must represent or be employed by a wholesaler of distilled spirits; and

11.19 (iii) one member must represent or be employed by a malt liquor wholesaler other than  
11.20 a wholesaler described in section 340A.301, subdivision 9, paragraph (g); and

11.21 (3) three members must represent manufacturers, as follows:

11.22 (i) one member must be the holder of a brewer's license under section 340A.301,  
11.23 subdivision 6, paragraph (c), (i), or (j), that brews no more than 20,000 barrels of its own  
11.24 brands of malt liquor annually;

11.25 (ii) one member must be the holder of a microdistillery license under section 340A.22;  
11.26 and

11.27 (iii) one member must represent or be employed by a licensed manufacturer other than  
11.28 a manufacturer described in item (i) or (ii).

11.29 (b) Each council member shall appoint an alternate. Alternates shall serve in the absence  
11.30 of the member they replace.

12.1 (c) The appointed voting members shall serve for terms of five years and may be  
12.2 reappointed.

12.3 (d) The speaker of the house and minority leader of the house of representatives shall  
12.4 each appoint a caucus member as a liaison to the council. The majority and minority leaders  
12.5 of the senate shall each appoint a caucus member to serve as a liaison to the council.

12.6 (e) The compensation and removal of members shall be as provided in section 15.059.

12.7 (f) The governor must appoint a member of the council to serve as chair. The chair is  
12.8 the presiding officer at all meetings of the council.

12.9 Subd. 2. **Duties; recommendations.** The council must submit its recommendations with  
12.10 respect to amendments to this chapter having a statewide impact by February 1 of each year  
12.11 to the committees of the legislature with jurisdiction over liquor regulation and shall report  
12.12 its views upon any pending bill relating to this chapter to the proper legislative committee.  
12.13 A recommendation may not be made by the council unless it is supported by a majority of  
12.14 the council members, provided that at least one member from each group described in  
12.15 subdivision 1, paragraph (a), clauses (1) to (3), supports the recommendation. At the request  
12.16 of the chairs of the senate or house of representatives committees that hear liquor regulation  
12.17 matters, the commissioner or the commissioner's designee must schedule a meeting of the  
12.18 council with the members of the committees to discuss matters of legislative concern arising  
12.19 under this chapter.

12.20 Subd. 3. **Meetings; voting.** (a) The council must meet as frequently as necessary to  
12.21 carry out its duties and responsibilities. The council may also conduct public hearings  
12.22 throughout the state as may be necessary to give interested persons an opportunity to  
12.23 comment and make suggestions on the operation of the state's regulatory system for alcoholic  
12.24 beverages.

12.25 (b) The meetings of the council are subject to the state's Open Meeting Law, chapter  
12.26 13D, except that each group described in subdivision 1, paragraph (a), clauses (1) to (3),  
12.27 may meet in separate closed caucuses for the purpose of deliberating on matters before the  
12.28 council. All votes of the council must be public and recorded.

12.29 Subd. 4. **Executive director.** (a) The commissioner or the commissioner's designee  
12.30 must appoint an executive director of the council.

12.31 (b) The executive director shall provide administrative support and information to the  
12.32 council in order to allow it to monitor all elements of Minnesota's regulatory system for  
12.33 alcoholic beverages.

13.1 Subd. 5. **Administrative support.** The commissioner must supply necessary office  
13.2 space, supplies, and staff support to assist the council and its executive director in their  
13.3 duties.

13.4 **EFFECTIVE DATE.** This section is effective after June 30, 2022.

13.5 Sec. 17. **SPECIAL PROVISION; TAX ON FERMENTED MALT BEVERAGES.**

13.6 Notwithstanding any law to the contrary, sake produced by an establishment producing  
13.7 sake in this state prior to March 1, 2012, under a brew pub license issued under Minnesota  
13.8 Statutes, section 340A.24, is a fermented malt beverage for purposes of imposing the tax  
13.9 under Minnesota Statutes, chapter 297G. No refunds may be issued under this section for  
13.10 tax paid under Minnesota Statutes, section 297G.03 prior to the date of enactment.

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

13.12 Sec. 18. **SERVICE OF ALCOHOLIC BEVERAGES; PERSONS 17 YEARS OF**  
13.13 **AGE.**

13.14 (a) Notwithstanding Minnesota Statutes, section 340A.412, subdivision 10, or any other  
13.15 law, charter provision, or ordinance to the contrary, a person who is 17 years of age may  
13.16 serve or sell intoxicating liquor in a retail establishment that has an on-sale intoxicating  
13.17 liquor license.

13.18 (b) This section expires two years following the date of final enactment.

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

13.20 Sec. 19. **APPROPRIATION.**

13.21 \$250,000 in fiscal year 2023 is appropriated from the general fund to the commissioner  
13.22 of public safety for the purpose of hiring two additional full-time employees in the Division  
13.23 of Alcohol and Gambling Enforcement.

## 13.24 **ARTICLE 2**

### 13.25 **DIRECT SHIPPED WINE**

13.26 Section 1. Minnesota Statutes 2020, section 13.6905, is amended by adding a subdivision  
13.27 to read:

13.28 Subd. 36. **Direct wine shipments.** Data obtained and shared by the commissioner of  
13.29 public safety relating to direct shipments of wine are governed by sections 340A.550 and  
13.30 340A.555.

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

14.2 Sec. 2. Minnesota Statutes 2020, section 295.75, subdivision 4, is amended to read:

14.3 Subd. 4. **Tax collection required.** A liquor retailer with nexus in Minnesota or a direct  
14.4 ship winery as defined in section 340A.550, who is not subject to tax under subdivision 2,  
14.5 is required to collect the tax imposed under subdivision 3 from the purchaser of the liquor  
14.6 and give the purchaser a receipt for the tax paid. The tax collected must be remitted to the  
14.7 commissioner in the same manner prescribed for the taxes imposed under chapter 297A.

14.8 **EFFECTIVE DATE.** This section is effective for sales and purchases occurring on or  
14.9 after July 1, 2022.

14.10 Sec. 3. Minnesota Statutes 2020, section 297A.83, subdivision 1, is amended to read:

14.11 Subdivision 1. **Persons applying.** (a) A retailer required to collect and remit sales taxes  
14.12 under section 297A.66 or a direct ship winery as defined in section 340A.550 shall file with  
14.13 the commissioner an application for a permit under this section.

14.14 (b) A retailer making retail sales from outside this state to a destination within this state  
14.15 who is not required to obtain a permit under paragraph (a) may nevertheless voluntarily file  
14.16 an application for a permit.

14.17 (c) The commissioner may require any person or class of persons obligated to file a use  
14.18 tax return under section 289A.11, subdivision 3, to file an application for a permit.

14.19 **EFFECTIVE DATE.** This section is effective for permits applied for after June 30,  
14.20 2022.

14.21 Sec. 4. Minnesota Statutes 2020, section 297G.07, subdivision 1, is amended to read:

14.22 Subdivision 1. **Exemptions.** The following are not subject to the excise tax:

14.23 (1) Sales by a manufacturer, brewer, or wholesaler for shipment outside the state in  
14.24 interstate commerce.

14.25 (2) Alcoholic beverages sold or transferred between Minnesota wholesalers.

14.26 (3) Sales to common carriers engaged in interstate transportation of passengers, except  
14.27 as provided in this chapter.

14.28 (4) Malt beverages served by a brewery for on-premise consumption at no charge, or  
14.29 distributed to brewery employees for on-premise consumption under a labor contract.

14.30 ~~(5) Shipments of wine to Minnesota residents under section 340A.417.~~

15.1 ~~(6)~~ (5) Fruit juices naturally fermented or beer naturally brewed in the home for family  
15.2 use and not sold or offered for sale.

15.3 ~~(7)~~ (6) Sales of wine for sacramental purposes under section 340A.316.

15.4 ~~(8)~~ (7) Alcoholic beverages sold to authorized manufacturers of food products or  
15.5 pharmaceutical firms. The alcoholic beverage must be used exclusively in the manufacture  
15.6 of food products or medicines. For purposes of this clause, "manufacturer" means a person  
15.7 who manufactures food products intended for sale to wholesalers or retailers for ultimate  
15.8 sale to the consumer.

15.9 ~~(9)~~ (8) Liqueur-filled candy.

15.10 ~~(10)~~ (9) Sales to a federal agency, that the state of Minnesota is prohibited from taxing  
15.11 under the Constitution or laws of the United States or under the Constitution of Minnesota.

15.12 ~~(11)~~ (10) Sales to Indian tribes as defined in section 297G.08.

15.13 ~~(12)~~ (11) Shipments of intoxicating liquor from foreign countries to diplomatic personnel  
15.14 of foreign countries assigned to service in this state.

15.15 ~~(13)~~ (12) Shipments of bulk distilled spirits or bulk wine to farm wineries licensed under  
15.16 section 340A.315 for input to the final product.

15.17 **EFFECTIVE DATE.** This section is effective July 1, 2022.

15.18 Sec. 5. Minnesota Statutes 2020, section 299A.706, is amended to read:

15.19 **299A.706 ALCOHOL ENFORCEMENT ACCOUNT; APPROPRIATION.**

15.20 An alcohol enforcement account is created in the special revenue fund, consisting of  
15.21 money credited to the account by law. Money in the account may be appropriated by law  
15.22 for (1) costs of the Alcohol and Gambling Division related to administration and enforcement  
15.23 of sections 340A.403, subdivision 4; 340A.414, subdivision 1a; ~~and~~ 340A.504, subdivision  
15.24 7; and 340A.550, subdivisions 2, 4, 5, and 6; and (2) costs of the State Patrol.

15.25 **EFFECTIVE DATE.** This section is effective July 1, 2022.

15.26 Sec. 6. Minnesota Statutes 2020, section 340A.304, is amended to read:

15.27 **340A.304 LICENSE SUSPENSION AND REVOCATION.**

15.28 The commissioner shall revoke, or suspend for up to 60 days, a license issued under  
15.29 section 340A.301 ~~or~~, 340A.302, or 340A.550, or impose a fine of up to \$2,000 for each  
15.30 violation, on a finding that the licensee has violated a state law or rule of the commissioner

16.1 relating to the possession, sale, transportation, or importation of alcoholic beverages. A  
16.2 license revocation or suspension under this section is a contested case under sections 14.57  
16.3 to 14.69 of the Administrative Procedure Act.

16.4 **EFFECTIVE DATE.** This section is effective July 1, 2022.

16.5 Sec. 7. Minnesota Statutes 2020, section 340A.417, is amended to read:

16.6 **340A.417 WINE SHIPMENTS INTO MINNESOTA.**

16.7 (a) Notwithstanding section 297G.07, subdivision 2, or any provision of this chapter  
16.8 except for section 340A.550, a winery licensed in a state other than Minnesota, or a winery  
16.9 located in Minnesota, may ship, for personal use and not for resale, not more than ~~two cases~~  
16.10 12 cases of wine, containing a maximum of nine liters per case, in any calendar year to any  
16.11 resident of Minnesota age 21 or over. ~~Delivery of a shipment under this section may not be~~  
16.12 ~~deemed a sale in this state.~~

16.13 (b) The shipping container of any wine sent under this section must be clearly marked  
16.14 "Alcoholic Beverages: adult signature (over 21 years of age) required."

16.15 (c) It is not the intent of this section to impair the distribution of wine through distributors  
16.16 or importing distributors, but only to permit shipments of wine for personal use.

16.17 (d) Except for a violation of section 295.75 or chapters 297A and 297G, no criminal  
16.18 penalty may be imposed on a person for a violation of this section or section 340A.550  
16.19 other than a violation described in paragraph (e) or (f). Whenever it appears to the  
16.20 commissioner that any person has engaged in any act or practice constituting a violation of  
16.21 this section, or section 340A.550 and the violation is not within two years of any previous  
16.22 violation of this section, the commissioner shall issue and cause to be served upon the person  
16.23 an order requiring the person to cease and desist from violating this section. The order must  
16.24 give reasonable notice of the rights of the person to request a hearing and must state the  
16.25 reason for the entry of the order. Unless otherwise agreed between the parties, a hearing  
16.26 shall be held not later than ~~seven~~ 20 days after the request for the hearing is received by the  
16.27 commissioner after which and within 20 days after the receipt of the administrative law  
16.28 judge's report and subsequent exceptions and argument, the commissioner shall issue an  
16.29 order vacating the cease and desist order, modifying it, or making it permanent as the facts  
16.30 require. If no hearing is requested within 30 days of the service of the order, the order  
16.31 becomes final and remains in effect until modified or vacated by the commissioner. All  
16.32 hearings shall be conducted in accordance with the provisions of chapter 14. If the person  
16.33 to whom a cease and desist order is issued fails to appear at the hearing after being duly



17.1 notified, the person shall be deemed in default, and the proceeding may be determined  
17.2 against the person upon consideration of the cease and desist order, the allegations of which  
17.3 may be deemed to be true.

17.4 (e) Any person who violates this section or section 340A.550 within two years of a  
17.5 violation for which a cease and desist order was issued under paragraph (d), is guilty of a  
17.6 misdemeanor.

17.7 (f) Any person who commits a third or subsequent violation of this section or section  
17.8 340A.550 within any subsequent two-year period is guilty of a gross misdemeanor.

17.9 **EFFECTIVE DATE.** This section is effective July 1, 2022.

17.10 Sec. 8. **[340A.550] DIRECT SHIPMENTS OF WINE; LICENSING, TAXATION,**  
17.11 **AND RESTRICTIONS.**

17.12 **Subdivision 1. Definitions.** (a) "Direct ship purchaser" means a person who purchases  
17.13 wine for personal use and not for resale from a winery located in a state other than Minnesota  
17.14 for delivery to a Minnesota address.

17.15 (b) "Direct ship winery" means a winery licensed in a state other than Minnesota that  
17.16 manufactures and makes a retail sale of wine and ships the wine to a direct ship purchaser  
17.17 as authorized under section 340A.417.

17.18 **Subd. 2. License requirements.** (a) A direct ship winery must apply to the commissioner  
17.19 for a direct ship license. The commissioner must not issue a license under this section unless  
17.20 the applicant:

17.21 (1) is a licensed winery in a state other than Minnesota and provides a copy of its current  
17.22 license in any state in which it is licensed to manufacture wine;

17.23 (2) provides a shipping address list, including all addresses from which it intends to ship  
17.24 wine;

17.25 (3) agrees to comply with the requirements of subdivision 4; and

17.26 (4) consents to the jurisdiction of the Departments of Public Safety and Revenue, the  
17.27 courts of this state, and any statute, law, or rule in this state related to the administration or  
17.28 enforcement of this section, including any provision authorizing the commissioners of public  
17.29 safety and revenue to audit a direct ship winery for compliance with this and any related  
17.30 section.

18.1 (b) A direct ship winery obtaining a license under this section must annually renew its  
18.2 license by January 1 of each year and must inform the commissioner at the time of renewal  
18.3 of any changes to the information previously provided in paragraph (a).

18.4 (c) The application fee for a license is \$50. The fee for a license renewal is \$50. The  
18.5 commissioner must deposit all fees received under this subdivision in the alcohol enforcement  
18.6 account in the special revenue fund established under section 299A.706.

18.7 Subd. 3. **Direct ship wineries; restrictions.** (a) A direct ship winery may only ship  
18.8 wine from an address provided to the commissioner as required in subdivision 2, paragraph  
18.9 (a), clause (2), or through a third-party provider whose name and address the licensee  
18.10 provided to the commissioner in the licensee's application for a license.

18.11 (b) A direct ship winery or its third-party provider may only ship wine from the direct  
18.12 ship winery's own production.

18.13 Subd. 4. **Taxation.** A direct ship winery must:

18.14 (1) collect and remit the liquor gross receipts tax as required in section 295.75;

18.15 (2) apply for a permit as required in section 297A.83 and collect and remit the sales and  
18.16 use tax imposed as required in chapter 297A;

18.17 (3) remit the tax as required in chapter 297G; and

18.18 (4) provide a statement to the commissioner, on a form prescribed by the commissioner,  
18.19 detailing each shipment of wine made to a resident of this state and any other information  
18.20 required by the commissioner.

18.21 Subd. 5. **Private or nonpublic data; classification and sharing.** (a) Data collected,  
18.22 created, or maintained by the commissioner as required under this section are classified as  
18.23 private data on individuals or nonpublic data, as defined in section 13.02, subdivisions 9  
18.24 and 12.

18.25 (b) The commissioner must share data classified as private or nonpublic under this  
18.26 section with the commissioner of revenue for purposes of administering section 295.75 and  
18.27 chapters 289A, 297A, and 297G.

18.28 Subd. 6. **Enforcement; penalties.** Section 340A.417, paragraphs (d), (e), and (f), apply  
18.29 to this section.

18.30 **EFFECTIVE DATE.** This section is effective July 1, 2022.

19.1 **Sec. 9. [340A.555] COMMON CARRIER REGULATIONS FOR DIRECT**  
19.2 **SHIPMENTS OF WINE.**

19.3 **Subdivision 1. Monthly report required.** Each common carrier that contracts with a  
19.4 winery under section 340A.417 for delivery of wine into this state must file with the  
19.5 commissioner a monthly report of known wine shipments made by the carrier. The report  
19.6 must be made in a form and manner as prescribed by the commissioner and must contain:

19.7 (1) the name of the common carrier making the report;

19.8 (2) the period of time covered by the report;

19.9 (3) the name and business address of the consignor;

19.10 (4) the name and address of the consignee;

19.11 (5) the weight of the package delivered to the consignee;

19.12 (6) a unique tracking number; and

19.13 (7) the date of delivery.

19.14 **Subd. 2. Record availability and retention.** Upon written request by the commissioner,  
19.15 any records supporting the report in subdivision 1 must be made available to the  
19.16 commissioner within 30 days of the request. Any records containing information relating  
19.17 to a required report must be retained and preserved for a period of two years, unless  
19.18 destruction of the records prior to the end of the two-year period is authorized in writing  
19.19 by the commissioner. All retained records must be open and available for inspection by the  
19.20 commissioner upon written request. The commissioner must make the required reports  
19.21 available to any law enforcement agency or regulatory body of any local government in the  
19.22 state in which the common carrier making the report resides or does business.

19.23 **Subd. 3. Penalty.** If a common carrier willfully violates the requirement to report a  
19.24 delivery under this section or violates any rule related to the administration and enforcement  
19.25 of this section, the commissioner must notify the common carrier in writing of the violation.  
19.26 The commissioner may impose a fine in an amount not to exceed \$500 for each subsequent  
19.27 violation.

19.28 **Subd. 4. Exemptions.** This section does not apply to common carriers regulated as  
19.29 provided by United States Code, title 49, section 10101, et. seq.; or to rail  
19.30 trailer-on-flatcar/container-on-flatcar (TOFC/COFC) service, as provided by Code of Federal  
19.31 Regulations, title 49, section 1090.1; or highway TOFC/COFC service provided by a rail  
19.32 carrier, either itself or jointly with a motor carrier, as part of continuous intermodal freight

20.1 transportation, including but not limited to any other TOFC/COFC transportation as defined  
20.2 under federal law.

20.3 Subd. 5. **Private or nonpublic data; classification and sharing.** (a) Data collected,  
20.4 created, or maintained by the commissioner as required under subdivision 1, clauses (4) to  
20.5 (6), are classified as private data on individuals or nonpublic data, as defined in section  
20.6 13.02, subdivisions 9 and 12.

20.7 (b) The commissioner must share data classified as private or nonpublic under this  
20.8 section with the commissioner of revenue for purposes of administering section 295.75 and  
20.9 chapters 289A, 297A, and 297G.

20.10 **EFFECTIVE DATE.** This section is effective July 1, 2022.

### 20.11 **ARTICLE 3**

### 20.12 **SPECIAL LOCAL LIQUOR LAWS**

20.13 **Section 1. CITY OF WILLMAR; ON-SALE LICENSE.**

20.14 Notwithstanding any law or ordinance to the contrary, in addition to the number of  
20.15 licenses authorized, the city of Willmar may issue an on-sale wine license and an on-sale  
20.16 malt liquor license to a person who is the owner of a junior league hockey team or to a  
20.17 person holding a concessions or management contract with the city or the team owner for  
20.18 beverage sales at the Willmar Civic Center. The licenses must authorize the dispensing of  
20.19 wine or malt liquor only to persons attending events at the civic center for consumption on  
20.20 the premises. A license issued under this section authorizes sales on all days of the week to  
20.21 persons attending junior hockey league games or other events at the civic center.

20.22 **EFFECTIVE DATE.** This section is effective upon approval by the Willmar City  
20.23 Council and compliance with Minnesota Statutes, section 645.021.

20.24 **Sec. 2. CITY OF SAUK RAPIDS; ON-SALE LICENSES.**

20.25 (a) Notwithstanding any law or ordinance to the contrary, in addition to the number of  
20.26 licenses authorized, the city of Sauk Rapids may issue an on-sale intoxicating liquor license  
20.27 to an entity holding a management or concessions contract with the city for operation within  
20.28 Bob Cross Regional Park. The license must authorize the service of intoxicating liquor only  
20.29 to persons attending events scheduled or organized by the entity, for consumption within  
20.30 Bob Cross Regional Park.

20.31 (b) Notwithstanding any law or ordinance to the contrary, in addition to the number of  
20.32 licenses authorized, the city of Sauk Rapids may issue an on-sale intoxicating liquor license

21.1 to an entity holding a concessions or management contract with the city for operation of a  
21.2 regional event center located within Lions Park or Southside Park. The license must authorize  
21.3 the service of intoxicating liquor only to persons attending events scheduled or organized  
21.4 by the entity, for consumption within Lions Park or Southside Park.

21.5 (c) A license issued under this section authorizes sales on all days of the week. All other  
21.6 provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply.

21.7 **EFFECTIVE DATE.** This section is effective upon approval by the Sauk Rapids City  
21.8 Council and compliance with Minnesota Statutes, section 645.021.

21.9 Sec. 3. **CITY OF ST. PAUL; LICENSE AUTHORIZED.**

21.10 Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St.  
21.11 Paul may issue a temporary on-sale malt liquor license to the Thai Cultural Council of  
21.12 Minnesota. The license may authorize the sale of malt liquor on the grounds of the State  
21.13 Capitol for both days of the Minnesota Songkran Festival. All provisions of Minnesota  
21.14 Statutes, section 340A.404, subdivision 10, not inconsistent with this section, apply to the  
21.15 license authorized by this section.

21.16 **EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City  
21.17 Council and compliance with Minnesota Statutes, section 645.021."

21.18 Amend the title accordingly