

SENATE COMMERCE COMMITTEE

303 State Capitol
St. Paul, MN 55155
(651) 296-8869

Meetings: Monday and Wednesday 12:00-2:30

Room: 15 Capitol

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Senator Geoff Michel	133 SOB	296-6238
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S.F. No. 171 - 2004 Liquor Bill

Author: Senator Sandra Pappas
Prepared by: Christopher B. Stang, ^{CSJ} Senate Counsel (651/296-0539)
Date: January 12, 2005

This bill is the 2004 Omnibus Liquor Bill vetoed by the Governor. The provisions the Governor objected to have been removed.

Section 1 charges brewers who produce 2,000 to 3,500 barrels of malt liquor a year a license fee of \$500 (reduction from \$2,500), providing greater conformity with brewpub license fees.

Section 2 allows a brewer who manufactures fewer than 3,500 barrels of malt liquor a year to be issued an off-sale license to sell growlers.

Section 3 allows a municipality to issue a small brewer a temporary on-sale license for social events sponsored by the brewer, provided the brewer has dram shop insurance.

Section 4 allows a brewer to provide samples of its own products to persons touring the brewery in a quantity less than 100 milliliters of malt liquor per variety per person.

Section 5 inserts a severability clause in the liquor code.

Section 6 clarifies the language authorizing an on-sale liquor license for the Elko Speedway to authorize sales on all days of the week.

Section 7 changes the issuer of a license for on-sales of Minnesota-produced wine at the State Fair from St. Paul to Ramsey County.

Section 8 authorizes the issuance of an on-sale wine and malt liquor license for Wade Municipal Stadium for use during baseball games and other events sponsored by the Duluth Huskies.

Section 9 authorizes the City of Minneapolis to issue a liquor license to an establishment located at 2200 Como Avenue Southeast, which currently holds an on-sale wine license.

Section 10 allows the City of St. Paul to issue an on-sale wine and malt liquor license to the Capitol 2005 Commission or Friends of the Minnesota State Capitol for special events relating to the centennial anniversary of the Capitol building.

Section 11 provides for effective dates.

CBS:cs

Senators Pappas and Scheid introduced--

S.F. No. 171: Referred to the Committee on Commerce.

A bill for an act

relating to liquor; providing for conformity in license fees and production levels for brewpubs and small brewers; authorizing issuance of temporary licenses to small brewers; authorizing off-sale of growlers by small brewers; modifying sampling provisions; providing that the on-sale license for Elko Speedway authorizes sales on all days of the week; changing the issuer of a certain license at the state fair; authorizing the city of Duluth to issue a liquor license for Wade Municipal Stadium; authorizing the city of St. Paul to issue a liquor license for special events at the State Capitol; amending Minnesota Statutes 2004, sections 340A.301, subdivisions 6, 7; 340A.404, subdivision 10; 340A.510, subdivision 2; Laws 2003, chapter 126, sections 28, 29; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

Section 1. Minnesota Statutes 2004, 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 clauses (d) and (i) who~~ manufacture more than 3,400 barrels of malt liquor in a year \$ 2,500

1 (d) Brewers who also hold one or more
 2 retail on-sale licenses and who
 3 manufacture fewer than 3,500 barrels
 4 of malt liquor in a year, at any one
 5 licensed premises, using only wort produced
 6 in Minnesota, the entire
 7 production of which is solely
 8 for consumption on tap on the
 9 licensed premises or for off-sale
 10 from that licensed premises.
 11 A brewer licensed
 12 under this clause must obtain a separate
 13 license for each licensed premises where
 14 the brewer brews malt liquor. A brewer
 15 licensed under this clause may not be
 16 licensed as an importer under this chapter \$ 500

17 (e) Wholesalers (except as provided in
 18 clauses (f), (g), and (h)) \$15,000
 19 Duplicates \$ 3,000

20 (f) Wholesalers of wines of not more
 21 than 25 percent alcohol by volume \$ 2,000

22 (g) Wholesalers of intoxicating
 23 malt liquor \$ 600
 24 Duplicates \$ 25

25 (h) Wholesalers of 3.2 percent
 26 malt liquor \$ 10

27 (i) Brewers who manufacture fewer than
 28 2,000 barrels of malt liquor in a year \$ 150

29 (j) Brewers who manufacture 2,000 to
 30 3,500 barrels of malt liquor in a
 31 year \$ 500

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

1 Sec. 2. Minnesota Statutes 2004, section 340A.301,
2 subdivision 7, is amended to read:

3 Subd. 7. [INTEREST IN OTHER BUSINESS.] (a) Except as
4 provided in this subdivision, a holder of a license as a
5 manufacturer, brewer, importer, or wholesaler may not have any
6 ownership, in whole or in part, in a business holding a retail
7 intoxicating liquor or 3.2 percent malt liquor license. The
8 commissioner may not issue a license under this section to a
9 manufacturer, brewer, importer, or wholesaler if a retailer of
10 intoxicating liquor has a direct or indirect interest in the
11 manufacturer, brewer, importer, or wholesaler. A manufacturer
12 or wholesaler of intoxicating liquor may use or have property
13 rented for retail intoxicating liquor sales only if the
14 manufacturer or wholesaler has owned the property continuously
15 since November 1, 1933. A retailer of intoxicating liquor may
16 not use or have property rented for the manufacture or
17 wholesaling of intoxicating liquor.

18 (b) A brewer licensed under subdivision 6, clause (d), may
19 be issued an on-sale intoxicating liquor or 3.2 percent malt
20 liquor license by a municipality for a restaurant operated in
21 the place of manufacture. Notwithstanding section 340A.405, a
22 brewer who holds an on-sale license issued pursuant to this
23 paragraph or a brewer who manufactures fewer than 3,500 barrels
24 of malt liquor in a year may, with the approval of the
25 commissioner, be issued a license by a municipality for off-sale
26 of malt liquor produced and packaged on the licensed premises.
27 Off-sale of malt liquor shall be limited to the legal hours for
28 off-sale at exclusive liquor stores in the jurisdiction in which
29 the brewer is located, and the malt liquor sold off-sale must be
30 removed from the premises before the applicable off-sale closing
31 time at exclusive liquor stores. The malt liquor shall be
32 packaged in 64-ounce containers commonly known as "growlers."
33 The containers shall bear a twist-type closure, cork, stopper,
34 or plug. At the time of the sale, a paper or plastic adhesive
35 band, strip, or sleeve shall be applied to the container and
36 extend over the top of the twist-type closure, cork, stopper, or

1 plug forming a seal that must be broken upon opening of the
2 container. The adhesive band, strip, or sleeve shall bear the
3 name and address of the brewer. The containers shall be
4 identified as malt liquor, contain the name of the malt liquor,
5 bear the name and address of the brewer selling the malt liquor,
6 and shall be considered intoxicating liquor unless the alcoholic
7 content is labeled as otherwise in accordance with the
8 provisions of Minnesota Rules, part 7515.1100. A brewer's total
9 retail sales at on- or off-sale under this paragraph may not
10 exceed 3,500 barrels per year, provided that off-sales may not
11 total more than 50 percent of the brewer's production or 500
12 barrels, whichever is less. A brewer licensed under subdivision
13 6, clause (d), may hold or have an interest in other retail
14 on-sale licenses, but may not have an ownership interest in
15 whole or in part, or be an officer, director, agent, or employee
16 of, any other manufacturer, brewer, importer, or wholesaler, or
17 be an affiliate thereof whether the affiliation is corporate or
18 by management, direction, or control. Notwithstanding this
19 prohibition, a brewer licensed under subdivision 6, clause (d),
20 may be an affiliate or subsidiary company of a brewer licensed
21 in Minnesota or elsewhere if that brewer's only manufacture of
22 malt liquor is:

23 (i) manufacture licensed under subdivision 6, clause (d);
24 (ii) manufacture in another state for consumption
25 exclusively in a restaurant located in the place of manufacture;
26 or
27 (iii) manufacture in another state for consumption
28 primarily in a restaurant located in or immediately adjacent to
29 the place of manufacture if the brewer was licensed under
30 subdivision 6, clause (d), on January 1, 1995.

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

36 Sec. 3. Minnesota Statutes 2004, section 340A.404,

1 subdivision 10, is amended to read:

2 Subd. 10. [TEMPORARY ON-SALE LICENSES.] (a) The governing
3 body of a municipality may issue to (1) a club or charitable,
4 religious, or other nonprofit organization in existence for at
5 least three years, (2) a political committee registered under
6 section 10A.14, or (3) a state university, a temporary license
7 for the on-sale of intoxicating liquor in connection with a
8 social event within the municipality sponsored by the licensee.
9 The license may authorize the on-sale of intoxicating liquor for
10 not more than four consecutive days, and may authorize on-sales
11 on premises other than premises the licensee owns or permanently
12 occupies. The license may provide that the licensee may
13 contract for intoxicating liquor catering services with the
14 holder of a full-year on-sale intoxicating liquor license issued
15 by any municipality. The licenses are subject to the terms,
16 including a license fee, imposed by the issuing municipality.
17 Licenses issued under this subdivision are subject to all laws
18 and ordinances governing the sale of intoxicating liquor except
19 sections 340A.409 and 340A.504, subdivision 3, paragraph (d),
20 and those laws and ordinances which by their nature are not
21 applicable. Licenses under this subdivision are not valid
22 unless first approved by the commissioner of public safety.

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

26 (c) The governing body of a municipality may issue to a
27 brewer who manufactures fewer than 3,500 barrels of malt liquor
28 in a year a temporary license for the on-sale of intoxicating
29 liquor in connection with a social event within the municipality
30 sponsored by the brewer. The terms and conditions specified for
31 temporary licenses under paragraph (a) shall apply to a license
32 issued under this paragraph, except that the requirements of
33 section 340A.409 shall apply to the license.

34 Sec. 4. Minnesota Statutes 2004, section 340A.510,
35 subdivision 2, is amended to read:

36 Subd. 2. [MALT LIQUOR SAMPLES AUTHORIZED.] (a)

1 Notwithstanding section 340A.308, a brewer may purchase from or
2 furnish at no cost to a licensed retailer malt liquor the brewer
3 manufactures if:

4 (1) the malt liquor is dispensed by the retailer only for
5 samples in a quantity of less than 100 milliliters of malt
6 liquor per variety per customer;

7 (2) where the brewer furnishes the malt liquor, the
8 retailer makes available for return to the brewer any unused
9 malt liquor and empty containers;

10 (3) the samples are dispensed by an employee of the
11 retailer or brewer or by a sampling service retained by the
12 retailer or brewer and not affiliated directly or indirectly
13 with a malt liquor wholesaler;

14 (4) not more than three cases of malt liquor are purchased
15 from or furnished to the retailer by the brewer for each
16 sampling;

17 (5) each sampling continues for not more than eight hours;

18 (6) the brewer has furnished malt liquor for not more than
19 five samplings for any retailer in any calendar year;

20 (7) where the brewer furnishes the malt liquor, the brewer
21 delivers the malt liquor for the sampling to its exclusive
22 wholesaler for that malt liquor;

23 (8) the brewer has at least seven days before the sampling
24 filed with the commissioner, on a form the commissioner
25 prescribes, written notice of intent to furnish malt liquor for
26 the sampling, which contains (i) the name and address of the
27 retailer conducting the sampling, (ii) the maximum amount of
28 malt liquor to be furnished or purchased by the brewer, (iii)
29 the number of times the brewer has furnished malt liquor to the
30 retailer in the calendar year in which the notice is filed, (iv)
31 the date and time of the sampling, (v) where the brewer
32 furnishes the malt liquor, the exclusive wholesaler to whom the
33 brewer will deliver the malt liquor, and (vi) a statement by the
34 brewer to the effect that to the brewer's knowledge all
35 requirements of this section have been or will be complied with;
36 and

1 (9) the commissioner has not notified the brewer filing the
2 notice under clause (8) that the commissioner disapproves the
3 notice.

4 (b) For purposes of this subdivision, "licensed retailer"
5 means a licensed on-sale or off-sale retailer of alcoholic
6 beverages and a municipal liquor store.

7 (c) A brewer may provide samples of its own products on its
8 premises to persons touring the brewery in a quantity of less
9 than 100 milliliters of malt liquor per variety per person.

10 Sec. 5. [340A.910] [SEVERABILITY.]

11 In the event that a court of competent jurisdiction holds
12 that any section of this chapter is unconstitutional or
13 otherwise invalid, the invalidity does not affect other
14 provisions or applications of this chapter that can be given
15 effect without the invalid provisions or application, and to
16 this end the provisions of this chapter are severable.

17 Sec. 6. Laws 2003, chapter 126, section 28, is amended to
18 read:

19 Sec. 28. [ELKO SPEEDWAY; ON-SALE LICENSE.]

20 Notwithstanding Minnesota Statutes, section 340A.404,
21 subdivision 1, the city of Elko may issue an on-sale
22 intoxicating liquor license to the Elko Speedway in addition to
23 the number authorized by law. The license may authorize sales
24 only to persons attending racing events at the speedway. The
25 license authorizes sales on all days of the week. All
26 provisions of Minnesota Statutes, chapter 340A, not inconsistent
27 with this provision, apply to the license authorized under this
28 section. The license may be issued for a space that is not
29 compact and contiguous, provided that the licensed premises may
30 include only the space within the fenced grandstand area as
31 described in the approved license application.

32 Sec. 7. Laws 2003, chapter 126, section 29, is amended to
33 read:

34 Sec. 29. [WINE LICENSES; STATE FAIR.]

35 (a) Notwithstanding Minnesota Statutes, sections 37.21 and
36 340A.412, subdivision 4, paragraph (a), clause (3), ~~the city of~~

1 ~~St. Paul~~ Ramsey County may issue a license to the holder of a
2 state fair concessions contract with the state agricultural
3 society which authorizes the licensee to sell Minnesota-produced
4 wine by the glass at the state fair in connection with the sale
5 of food by the concessionaire. All provisions of Minnesota
6 Statutes, chapter 340A, not inconsistent herewith, apply to
7 licenses issued under this section.

8 (b) For purposes of this section "Minnesota-produced wine"
9 means wine produced by a farm winery licensed under Minnesota
10 Statutes, section 340A.315, and made from at least 75 percent
11 Minnesota-grown grapes, grape juice, other fruit bases, other
12 juices, and honey.

13 Sec. 8. [WADE MUNICIPAL STADIUM; LIQUOR LICENSE.]

14 Notwithstanding any other law to the contrary, the city of
15 Duluth may issue an on-sale wine and malt liquor license in
16 addition to the number authorized by law for the premises known
17 as Wade Municipal Stadium for use during baseball games and
18 other events sponsored by the Duluth Huskies. The license may
19 authorize the sale and consumption of wine and malt liquor in
20 the grandstand and dining areas of the stadium. The license
21 authorizes sales on all days of the week.

22 Sec. 9. [CITY OF MINNEAPOLIS; LIQUOR LICENSE.]

23 Notwithstanding any law, ordinance, or charter provision to
24 the contrary, the city of Minneapolis may issue an intoxicating
25 liquor license to an establishment located at 2200 Como Avenue
26 Southeast, which currently holds an on-sale wine license.

27 Sec. 10. [STATE CAPITOL CENTENNIAL EVENTS.]

28 Notwithstanding any other law to the contrary, the city of
29 St. Paul may issue an on-sale wine and malt liquor license to
30 the Capitol 2005 Commission or Friends of the Minnesota State
31 Capitol for special events held in the State Capitol and on the
32 Capitol grounds relating to the centennial anniversary of the
33 Capitol building. The license authorized by this section is
34 valid until January 2, 2006. All provisions of Minnesota
35 Statutes, chapter 340A, not inconsistent with this section apply
36 to the license authorized by this section.

1 Sec. 11. [EFFECTIVE DATE.]

2 Section 1 is effective July 1, 2005. Sections 2 to 5, 7,

3 8, 9, and 10 are effective the day following final enactment.

4 Section 6 is effective on approval by the Elko City Council and

5 compliance with Minnesota Statutes, section 645.021.

01/18/05

Pappas 1-19 passed
[COUNSEL] CBS SCS0171A-1

- 1 Senator moves to amend S.F. No. 171 as follows:
- 2 Page 1, line 31, delete "3,400" and insert "3,500"

1 in Minnesota, the entire
 2 production of which is solely
 3 for consumption on tap on the
 4 licensed premises or for off-sale
 5 from that licensed premises.

6 A brewer licensed
 7 under this clause must obtain a separate
 8 license for each licensed premises where
 9 the brewer brews malt liquor. A brewer
 10 licensed under this clause may not be
 11 licensed as an importer under this chapter \$ 500

12 (e) Wholesalers (except as provided in
 13 clauses (f), (g), and (h)) \$15,000
 14 Duplicates \$ 3,000

15 (f) Wholesalers of wines of not more
 16 than 25 percent alcohol by volume \$ 2,000

17 (g) Wholesalers of intoxicating
 18 malt liquor \$ 600
 19 Duplicates \$ 25

20 (h) Wholesalers of 3.2 percent
 21 malt liquor \$ 10

22 (i) Brewers who manufacture fewer than
 23 2,000 barrels of malt liquor in a year \$ 150

24 (j) Brewers who manufacture 2,000 to 3,500
 25 barrels of malt liquor in a year \$ 500

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

31 Sec. 2. Minnesota Statutes 2004, section 340A.301,
 32 subdivision 7, is amended to read:

33 Subd. 7. [INTEREST IN OTHER BUSINESS.] (a) Except as
 34 provided in this subdivision, a holder of a license as a
 35 manufacturer, brewer, importer, or wholesaler may not have any
 36 ownership, in whole or in part, in a business holding a retail

1 intoxicating liquor or 3.2 percent malt liquor license. The
2 commissioner may not issue a license under this section to a
3 manufacturer, brewer, importer, or wholesaler if a retailer of
4 intoxicating liquor has a direct or indirect interest in the
5 manufacturer, brewer, importer, or wholesaler. A manufacturer
6 or wholesaler of intoxicating liquor may use or have property
7 rented for retail intoxicating liquor sales only if the
8 manufacturer or wholesaler has owned the property continuously
9 since November 1, 1933. A retailer of intoxicating liquor may
10 not use or have property rented for the manufacture or
11 wholesaling of intoxicating liquor.

12 (b) A brewer licensed under subdivision 6, clause (d), may
13 be issued an on-sale intoxicating liquor or 3.2 percent malt
14 liquor license by a municipality for a restaurant operated in
15 the place of manufacture. Notwithstanding section 340A.405, a
16 brewer who holds an on-sale license issued pursuant to this
17 paragraph or a brewer who manufactures fewer than 3,500 barrels
18 of malt liquor in a year may, with the approval of the
19 commissioner, be issued a license by a municipality for off-sale
20 of malt liquor produced and packaged on the licensed premises.
21 Off-sale of malt liquor shall be limited to the legal hours for
22 off-sale at exclusive liquor stores in the jurisdiction in which
23 the brewer is located, and the malt liquor sold off-sale must be
24 removed from the premises before the applicable off-sale closing
25 time at exclusive liquor stores. The malt liquor shall be
26 packaged in 64-ounce containers commonly known as "growlers."
27 The containers shall bear a twist-type closure, cork, stopper,
28 or plug. At the time of the sale, a paper or plastic adhesive
29 band, strip, or sleeve shall be applied to the container and
30 extend over the top of the twist-type closure, cork, stopper, or
31 plug forming a seal that must be broken upon opening of the
32 container. The adhesive band, strip, or sleeve shall bear the
33 name and address of the brewer. The containers shall be
34 identified as malt liquor, contain the name of the malt liquor,
35 bear the name and address of the brewer selling the malt liquor,
36 and shall be considered intoxicating liquor unless the alcoholic

1 content is labeled as otherwise in accordance with the
2 provisions of Minnesota Rules, part 7515.1100. A brewer's total
3 retail sales at on- or off-sale under this paragraph may not
4 exceed 3,500 barrels per year, provided that off-sales may not
5 total more than 50 percent of the brewer's production or 500
6 barrels, whichever is less. A brewer licensed under subdivision
7 6, clause (d), may hold or have an interest in other retail
8 on-sale licenses, but may not have an ownership interest in
9 whole or in part, or be an officer, director, agent, or employee
10 of, any other manufacturer, brewer, importer, or wholesaler, or
11 be an affiliate thereof whether the affiliation is corporate or
12 by management, direction, or control. Notwithstanding this
13 prohibition, a brewer licensed under subdivision 6, clause (d),
14 may be an affiliate or subsidiary company of a brewer licensed
15 in Minnesota or elsewhere if that brewer's only manufacture of
16 malt liquor is:

17 (i) manufacture licensed under subdivision 6, clause (d);
18 (ii) manufacture in another state for consumption
19 exclusively in a restaurant located in the place of manufacture;
20 or

21 (iii) manufacture in another state for consumption
22 primarily in a restaurant located in or immediately adjacent to
23 the place of manufacture if the brewer was licensed under
24 subdivision 6, clause (d), on January 1, 1995.

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

30 Sec. 3. Minnesota Statutes 2004, section 340A.404,
31 subdivision 10, is amended to read:

32 Subd. 10. [TEMPORARY ON-SALE LICENSES.] (a) The governing
33 body of a municipality may issue to (1) a club or charitable,
34 religious, or other nonprofit organization in existence for at
35 least three years, (2) a political committee registered under
36 section 10A.14, or (3) a state university, a temporary license

1 for the on-sale of intoxicating liquor in connection with a
2 social event within the municipality sponsored by the licensee.
3 The license may authorize the on-sale of intoxicating liquor for
4 not more than four consecutive days, and may authorize on-sales
5 on premises other than premises the licensee owns or permanently
6 occupies. The license may provide that the licensee may
7 contract for intoxicating liquor catering services with the
8 holder of a full-year on-sale intoxicating liquor license issued
9 by any municipality. The licenses are subject to the terms,
10 including a license fee, imposed by the issuing municipality.
11 Licenses issued under this subdivision are subject to all laws
12 and ordinances governing the sale of intoxicating liquor except
13 sections 340A.409 and 340A.504, subdivision 3, paragraph (d),
14 and those laws and ordinances which by their nature are not
15 applicable. Licenses under this subdivision are not valid
16 unless first approved by the commissioner of public safety.

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

20 (c) The governing body of a municipality may issue to a
21 brewer who manufactures fewer than 3,500 barrels of malt liquor
22 in a year a temporary license for the on-sale of intoxicating
23 liquor in connection with a social event within the municipality
24 sponsored by the brewer. The terms and conditions specified for
25 temporary licenses under paragraph (a) shall apply to a license
26 issued under this paragraph, except that the requirements of
27 section 340A.409 apply to the license.

28 Sec. 4. Minnesota Statutes 2004, section 340A.510,
29 subdivision 2, is amended to read:

30 Subd. 2. [MALT LIQUOR SAMPLES AUTHORIZED.] (a)
31 Notwithstanding section 340A.308, a brewer may purchase from or
32 furnish at no cost to a licensed retailer malt liquor the brewer
33 manufactures if:

34 (1) the malt liquor is dispensed by the retailer only for
35 samples in a quantity of less than 100 milliliters of malt
36 liquor per variety per customer;

1 (2) where the brewer furnishes the malt liquor, the
2 retailer makes available for return to the brewer any unused
3 malt liquor and empty containers;

4 (3) the samples are dispensed by an employee of the
5 retailer or brewer or by a sampling service retained by the
6 retailer or brewer and not affiliated directly or indirectly
7 with a malt liquor wholesaler;

8 (4) not more than three cases of malt liquor are purchased
9 from or furnished to the retailer by the brewer for each
10 sampling;

11 (5) each sampling continues for not more than eight hours;

12 (6) the brewer has furnished malt liquor for not more than
13 five samplings for any retailer in any calendar year;

14 (7) where the brewer furnishes the malt liquor, the brewer
15 delivers the malt liquor for the sampling to its exclusive
16 wholesaler for that malt liquor;

17 (8) the brewer has at least seven days before the sampling
18 filed with the commissioner, on a form the commissioner
19 prescribes, written notice of intent to furnish malt liquor for
20 the sampling, which contains (i) the name and address of the
21 retailer conducting the sampling, (ii) the maximum amount of
22 malt liquor to be furnished or purchased by the brewer, (iii)
23 the number of times the brewer has furnished malt liquor to the
24 retailer in the calendar year in which the notice is filed, (iv)
25 the date and time of the sampling, (v) where the brewer
26 furnishes the malt liquor, the exclusive wholesaler to whom the
27 brewer will deliver the malt liquor, and (vi) a statement by the
28 brewer to the effect that to the brewer's knowledge all
29 requirements of this section have been or will be complied with;
30 and

31 (9) the commissioner has not notified the brewer filing the
32 notice under clause (8) that the commissioner disapproves the
33 notice.

34 (b) For purposes of this subdivision, "licensed retailer"
35 means a licensed on-sale or off-sale retailer of alcoholic
36 beverages and a municipal liquor store.

1 (c) A brewer may provide samples of its own products on its
2 premises to persons touring the brewery in a quantity of less
3 than 100 milliliters of malt liquor per variety per person.

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JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

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THOMAS S. BOTTERN
ANN MARIE BUTLER

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JACK PAULSON
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A. VENNEWITZ
M. WEIDMANN

S.F. No. 206 - Off-Sale License

Author: Senator Ellen R. Anderson

Prepared by: Christopher B. Stang, Senate Counsel (651/296-0539)

Date: January 13, 2005

Section 1 has the effect of allowing the city of St. Paul to issue an off-sale license within one-half mile of the St. Paul Campus of the University of Minnesota.

Section 2 makes the act effective immediately.

CBS:cs

Senators Anderson, Scheid, Belanger and Pappas introduced--
S.F. No. 206: Referred to the Committee on Commerce.

A bill for an act

relating to liquor; authorizing a city to issue an
off-sale license in a certain area; amending Minnesota
Statutes 2004, section 340A.412, subdivision 4.

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

Section 1. Minnesota Statutes 2004, section 340A.412,
subdivision 4, is amended to read:

Subd. 4. [LICENSES PROHIBITED IN CERTAIN AREAS.] (a) No
license to sell intoxicating liquor may be issued within the
following areas:

(1) where restricted against commercial use through zoning
ordinances and other proceedings or legal processes regularly
had for that purpose, except licenses may be issued to
restaurants in areas which were restricted against commercial
uses after the establishment of the restaurant;

(2) within the Capitol or on the Capitol grounds, except as
provided under Laws 1983, chapter 259, section 9, or Laws 1999,
chapter 202, section 13;

(3) on the State Fairgrounds or at any place in a city of
the first class within one-half mile of the fairgrounds, except
as otherwise provided by charter;

(4) on the campus of the College of Agriculture of the
University of Minnesota or at any place in a city of the first
class within one-half mile of the campus, provided that a city
may issue one on-sale wine license and one off-sale intoxicating

1 liquor license in this area that is not included in the area
2 described in clause (3), except as provided by charter;

3 (5) within 1,000 feet of a state hospital, training school,
4 reformatory, prison, or other institution under the supervision
5 or control, in whole or in part, of the commissioner of human
6 services or the commissioner of corrections;

7 (6) in a town or municipality in which a majority of votes
8 at the last election at which the question of license was voted
9 upon were not in favor of license under section 340A.416, or
10 within one-half mile of any such town or municipality, except
11 that intoxicating liquor manufactured within this radius may be
12 sold to be consumed outside it;

13 (7) at any place on the east side of the Mississippi River
14 within one-tenth of a mile of the main building of the
15 University of Minnesota unless (i) the licensed establishment is
16 on property owned or operated by a nonprofit corporation
17 organized prior to January 1, 1940, for and by former students
18 of the University of Minnesota, or (ii) the licensed premises is
19 Northrop Auditorium;

20 (8) within 1,500 feet of a state university, except that:

21 (i) the minimum distance in the case of Winona and
22 Southwest State University is 1,200 feet, measured by a direct
23 line from the nearest corner of the administration building to
24 the main entrance of the licensed establishment;

25 (ii) within 1,500 feet of St. Cloud State University one
26 on-sale wine and two off-sale intoxicating liquor licenses may
27 be issued, measured by a direct line from the nearest corner of
28 the administration building to the main entrance of the licensed
29 establishment;

30 (iii) at Mankato State University the distance is measured
31 from the front door of the student union of the Highland campus;

32 (iv) a temporary license under section 340A.404,
33 subdivision 10, may be issued to a location on the grounds of a
34 state university for an event sponsored or approved by the state
35 university; and

36 (v) this restriction does not apply to the area surrounding

12/09/04

[REVISOR] CMG/JH 05-0770

1 the premises leased by Metropolitan State University at 730
2 Hennepin Avenue South in Minneapolis; and

3 (9) within 1,500 feet of any public school that is not
4 within a city.

5 (b) The restrictions of this subdivision do not apply to a
6 manufacturer or wholesaler of intoxicating liquor or to a
7 drugstore or to a person who had a license originally issued
8 lawfully prior to July 1, 1967.

9 [EFFECTIVE DATE.] This section is effective the day
10 following final enactment.

Exceptions to the Three Tier System of Alcohol Distribution in Minnesota Statute

- Section 340A.301, Subd. 7(a) Permits a Manufacturer or Wholesaler financial interest in a Retailer.
- Section 340A.301, Subd. 7(b) Permits a Brewer of less than 3,500 barrels per year to hold an on-sale and/or off-sale licenses for sale of malt liquor brewed on the licensed premises.
- Section 340A.307, Subd. 4 Provides exceptions to the prohibition against discriminatory sales of wine and malt liquor, or intoxicating liquor that has been further refined, distilled, blended, bottled or labeled in MN, or is offered for sale solely in MN.
- Section 340A.315 Farm Winery License, authorizes on-premise sale of wines produced by a farm winery.
- Section 340A.316 Permits clergy to import wine for sacramental purposes without a license.
- Section 340A.33 Brew on premise store exception.
- Section 340A.34 Winemaking on premise store exception.
- Section 340A.417 Permits Reciprocal Wine Shipments for personal use.

MINNESOTA DEPARTMENT OF PUBLIC SAFETY



Alcohol and Gambling Enforcement Division

Frank Ball, Director

November, 2004

Background

The Alcohol and Gambling Enforcement Division was created in 1996 when the two independent Divisions, Gambling Enforcement and Liquor Control merged. The merger combined the knowledge and expertise of the law enforcement division of Gambling Enforcement with that of the civil and regulatory background of the Liquor Control Division. As one division, the Alcohol and Gambling Enforcement Division improved the level of effectiveness in maintaining the integrity of the alcohol and gambling industries, and in protecting Minnesota's citizens against crimes and illegal activities involving alcohol and gambling.

Mission

The mission of the Alcohol and Gambling Enforcement Division is to maintain the integrity of legalized gambling, detect and vigorously pursue illegal forms of gambling, enforce the state's liquor laws, and monitor the State/Tribal gaming compacts.

Alcohol Enforcement protects and serves the public through the uniform interpretation and enforcement of the State Liquor Act. It protects the health and safety of the state's youth by enforcing the prohibition against sales to underage people. It operates as a central source of alcohol licenses and violation records, ensuring availability of records to related agencies and the public. It acts to maintain balance and stability in the alcoholic beverage industry through management of liquor licensing, education, enforcement and regulatory programs.

Gambling Enforcement conducts background investigations and criminal investigations relating to lawful gambling, the Minnesota Lottery, pari-mutuel horse racing, and tribal reservation gambling. Additionally, gambling enforcement enforces laws pertaining to illegal gambling such as sports bookmaking and other illegal gambling activities.

Budget

The Alcohol and Gambling Enforcement Division has a total (FY05) budget of \$2,504,000, and a staff of 25 full time equivalent positions. Alcohol Enforcement is appropriated (FY 05) \$446,000 (51%) from the general fund; \$150,000 (17%) from the 2 AM special revenue fund, and \$276,000 (32%) from federal funds to combat underage drinking. Alcohol Enforcement conducted 1073 investigations regarding alcohol related complaints. 47 cases resulted in administrative penalties being imposed totaling \$14,000. Additionally, 455 pre-license inspections were conducted, 134 meetings were attended or training provided, and 266 violation or background checks conducted.

Gambling Enforcement funds are divided between a general fund appropriation of \$1,221,000 (78%) and special revenue fund appropriations of \$411,000 (22%). The source of revenues in Special Revenue accounts are from Indian Nation Compacts, criminal background check fees, and gambling forfeitures. Gambling Enforcement annually conducts approximately 22,000 background investigations relating to casino gambling, and processes 10,500 background fingerprints submitted on casino employees. Gambling Enforcement ensures compliance of the state's 22 tribal compacts at 18 casinos. Additionally, Gambling Enforcement licenses 36 gambling device manufacture distributor licenses, in which comprehensive background investigations are conducted worldwide.

Alcohol Enforcement

Approve issue and regulate all alcohol beverage licenses & permits – AGED is responsible for approval, issuance and regulation of approximately 15,000 retail, wholesale, and manufacturing licenses and permits in the state of Minnesota. Licenses are approved only after it is determined that the licensee and the licensed premises are eligible to hold a liquor license. The division acts as the central repository of alcohol license, liquor liability insurance and violation records. AGED generates \$1,500,000 in license revenue annually.

Brand Label Registration - AGED registers and monitors approximately 20,000 alcohol brand label registrations. Each brand of alcoholic beverage that is imported into or sold within the state of Minnesota requires label registration with the state of Minnesota. Brands of alcohol being sold in the state of Minnesota may not exceed 160 proof, and labels must identify the type of alcoholic beverage, alcoholic content, and the name and address of the importer or producer of the product. Documentation that the federal government has approved the product to be sold in the United States is also required as part of the approval process.

Investigate Alcohol Related Complaints and Investigation of licensed premises - Special liquor investigators act to maintain balance and stability within the alcohol industry by responding to complaints regarding the sale, distribution, and possession of alcoholic beverages. Special investigators investigate complaints regarding after hour sales, sales without a license, sale from illegal sources, illegal importation and transportation of alcoholic beverages, underage sales, illegal promotion of alcoholic beverages, sale from an illegal premises, illegal gambling on the liquor licensed premises, tampering or watering alcoholic beverages. Persons found transporting or importing alcoholic beverages for sale in Minnesota without a license are subject to felony charges. Additionally, investigations are conducted of contaminated alcoholic beverages due to disasters, fire, floods, tornadoes, etc. and orders for destruction of the product are issued.

Alcohol Promotion and Advertising - AGED is responsible for assuring that alcoholic beverages are promoted reasonably and responsibly. All media publications of alcoholic beverages are required to receive prior commissioner approval before publication. AGED assures that advertising of alcoholic beverages does not appeal to immature individuals, and there is no inducement to purchase alcoholic beverages by providing premiums, prizes or novelties in connection with the sale of alcoholic beverages. Advertising of alcoholic beverages may not be false or misleading, and it may not contain statements that it is beneficial or healthful.

Enforcing the Underage Drinking Laws: The Alcohol and Gambling Enforcement Division, in conjunction with the Federal Office of Juvenile Justice and Delinquency Prevention, has been awarded a grant in order to address underage drinking at the local level in Minnesota. AGED awards grants to local law enforcement departments of not more than \$5000 each to conduct underage compliance checks at their licensed liquor establishments. Municipalities may also conduct alternative underage enforcement activities, such as adult providers of alcohol to underage persons. Liquor licensed establishments that fail underage compliance checks are subject to civil penalties up to \$2000, license suspension or revocation. In 2003, 36 municipalities participated in underage compliance checks, with an 11% failure rate. 20 communities arrested 681 adult providers of alcohol to underage persons.

Impose Civil Penalties: AGED is given the authority to impose civil penalties against liquor law violators. Investigations are conducted to determine compliance with the state's alcohol beverages laws and in response to complaints. Liquor investigators are in part responsible for the nearly \$2,000,000 in alcohol sales tax that is collected annually. AGED imposed 44 civil penalties against liquor law violators in fiscal year 2004.

Gambling Enforcement

Licensing of Manufacturers and Distributors of Gambling

AGED conducts exhaustive background investigations of applicants for licenses to distribute or manufacture gambling devices in Minnesota. Special agents travel the world in the process of conducting these background investigations to assure that unsuitable persons do not become licensed in the gambling industry in Minnesota. Businesses, as well as the principals who own and operate the business are subject to the scrutiny of the background investigation. Investigations may require a few days for a locally owned sole proprietorship, to well over a year for publicly traded multinational corporations. Licensees pay all costs related to such investigations, and no other state or local agency performs this work. AGED currently licenses 36 gambling manufacturer/distributors. Additionally, AGED performs license and vendor investigations for the Minnesota Racing Commission, the Minnesota Lottery, and the Minnesota Gambling Control Board.

Assure compliance with State Tribal compacts

The Alcohol and Gambling Enforcement Division is the sole agency under the terms of the compact that is responsible for insuring compliance of the tribal compact agreements. Division employees have authority to access tribal gaming facilities to randomly monitor and inspect tribal gaming operations and to evaluate casino security systems. Nearly 100 of these inspections are conducted annually. Special Agents determine if video games of chance are paying out the correct percentages to players, and the game of blackjack are being played in accordance with house established rules and terms of the compact. AGED maintains the integrity of the gaming industry, by conducting background investigations of Tribal employee and management officials, including fingerprint checks. This is an ongoing process with nearly a 40% continuous turnover in casino employees. Each year more than 20,000 casino employee background checks are conducted by the division. The Division also responds to player complaints about various machines or games, however, AGED is not empowered to settle disputes with the casinos. Rather, the division seeks to determine that games are not malfunctioning or being operated beyond the scope of the agreements.

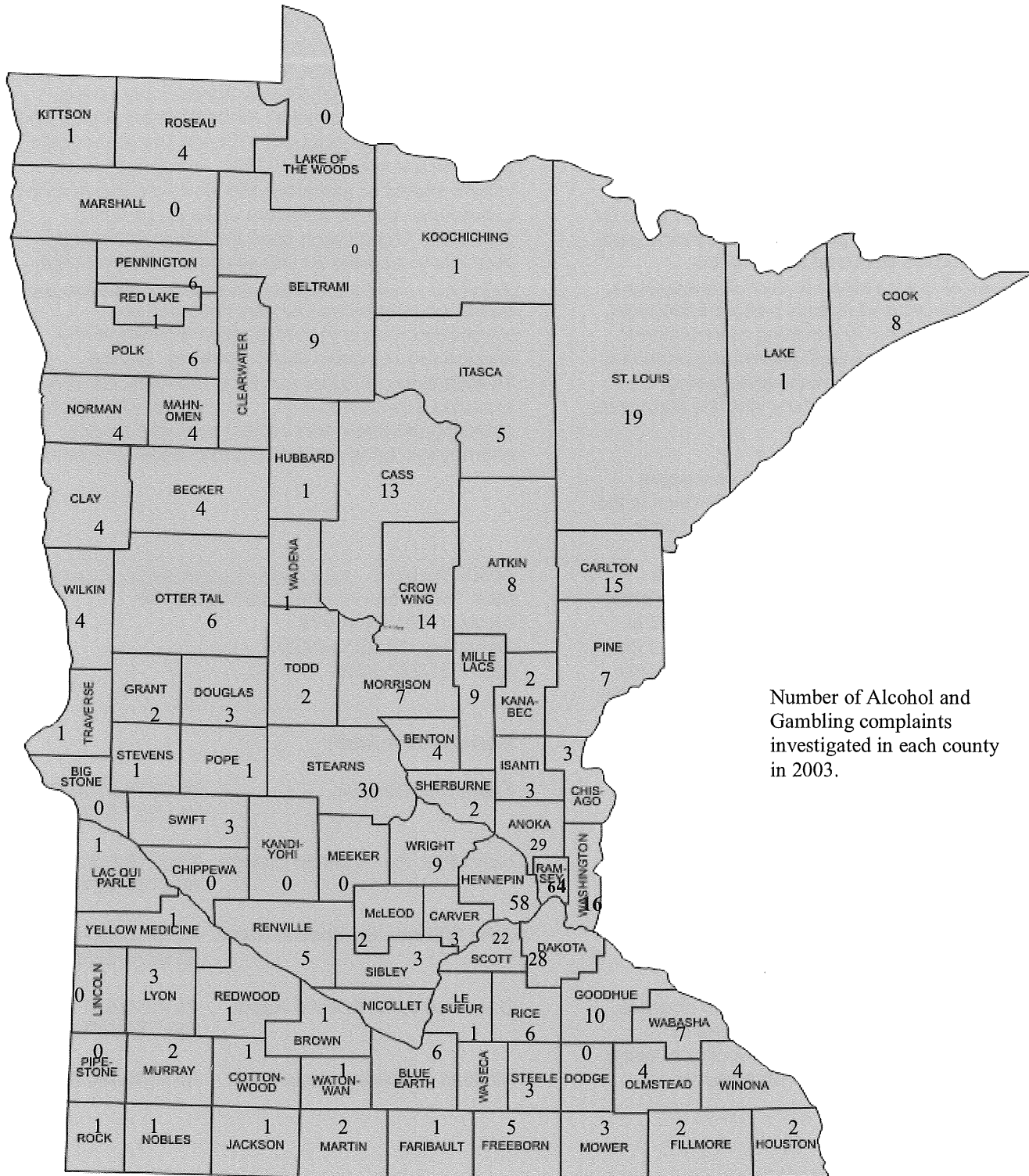
Gambling Criminal Enforcement and Investigation -

AGED is the primary law enforcement agency to investigate crimes and violations relating to lawful forms and unlawful forms of gambling. The division responds to complaints regarding forgeries, influencing races, tampering with horses, sports bookmaking, illegal bets, illegal lotteries, embezzlement, fraud, and theft of charitable proceeds. The division conducted 240 such investigations in 2003. Investigation of crimes related to gambling often involves the seizure of contraband and the forfeiture of illegal gambling proceeds. The division uses the latest technology available to apprehend individuals involved in illegal gambling. Discreet camera installs, surveillance, game audits, counterfeit and forgery detection are specialized tools and investigative techniques the division uses to deter illegal gambling. During investigations of illegal gambling activities, the division executes search warrants in connection with illegal gambling activities, and collaborates with county attorney's to bring criminal charges against violators.

AGED Website: www.dps.mn.us/alcgamb/alcgamb
 Main Telephone Number: 651/296-6159
 Alcohol: 651/296-6979
 Gambling: 651/215-6229
 Fax: 651/297-5259

Management Staff:

Frank Ball, Director,	651/215-6200 Office 651/210-6229 Cell
Norm Pint, Sp. Agent In Charge,	651/215-6201 Office 651/775-5248 Cell
John Willems, Sr. Special Agent,	651/215-6217 Office 651/775-5250 Cell
Dan Laurila, Sr. Special Agent,	651/215-6211 Office 651/775-5275 Cell
Marlene Kjelsberg, Supervisor	651/296-6430 Office



Number of Alcohol and Gambling complaints investigated in each county in 2003.

Hand out #2
1-19-05
Frank Ball



NATIONAL OVERVIEW OF STATE ALCOHOL LAWS

A national overview of a select group of state alcohol laws is included in this section. The time period covered for each type of policy differs depending on the history and current status of the policy. Each time period was chosen to most clearly illustrate the important features of the policy from a national perspective.

Distribution Systems

RESEARCH FINDINGS

Studies on alcohol distribution systems focus primarily on the effects of changing from a control system to a licensure system. Numerous studies demonstrate that when a state or country switches from allowing certain alcoholic beverages to be sold only in state-owned stores to allowing sales in privately owned stores, overall sales of the beverages sold privately increase significantly (Toomey & Wagenaar, 1999; Toomey et al., 1993). The exact reasons for these increased sales are not fully understood; however, higher sales appear to be due to longer sale hours, lower prices, a greater number of stores, and increased marketing and promotion when private sales are allowed.

SUMMARY OF ALCOHOL DISTRIBUTION LAWS






Currently in the U.S., most states operate under a license system. However, 18 states maintain some direct control over certain sectors of the alcoholic beverage market. Eleven of these 18 "control states" directly intervene in some sectors of both the wholesale and retail off-sale (retail sale for consumption off the premises) markets. Three of these 11 states (New Hampshire, Pennsylvania and Utah) exercise direct state

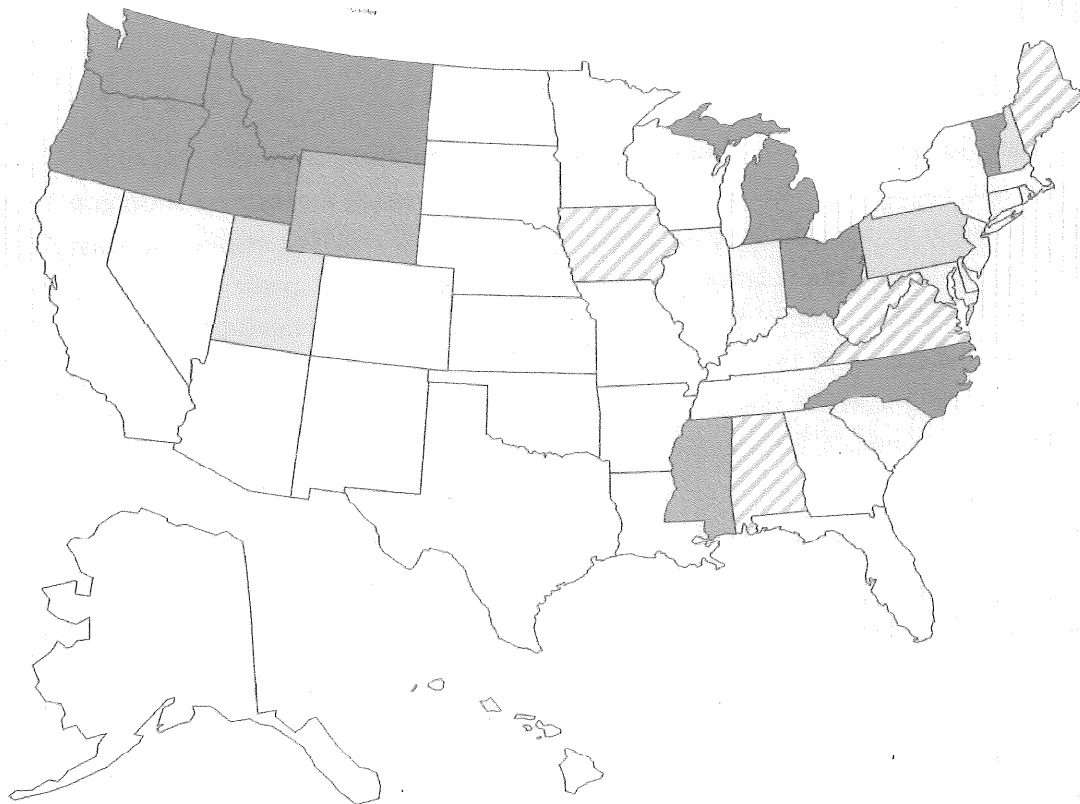
control over the wholesale and retail sales of alcoholic beverages with moderate- to high-alcohol content, such as table wine, spirits, and fortified wine. The remaining eight states (Idaho, Michigan, Montana, North Carolina, Ohio, Oregon, Vermont, and Washington) have direct control over the wholesale and off-sale of high-alcohol-content beverages only, such as spirits and fortified wine. In addition, seven other "control states" directly intervene only in the wholesale market. Of these, two states (Mississippi and Wyoming) exercise direct control over the wholesale of both moderate- and high-alcohol-content beverages, while the remaining five (Alabama, Iowa, Maine, Virginia, and West Virginia) directly control only the sale of high-alcohol content beverages.

It is worth noting that laws affecting the sales and distribution of alcohol are not stagnant. Several small changes that are too complex to describe in this report occurred in alcohol distribution systems across the states over the past few decades.

States with Direct Control Distribution Systems

as of January 1, 2000

-  None
-  Retail and Wholesale of High Alcohol Beverages
-  Retail and Wholesale of Moderate & High Alcohol Beverages
-  Wholesale Only of High Alcohol Beverages
-  Wholesale Only of Moderate & High Alcohol Beverages



Handout #1
1-19-05
Sen. Anderson

January 19, 2004

Dear Commerce Committee Members and Staff:

I thought that it might be helpful to have a timeline of events to give you an insight into what my wife and I have been through up to this point. I hope that it may also give you an understanding of the level of neighborhood and city support we have.

May 10, 2004 - Filed Articles of Incorporation with the State of Minnesota as required by the City of St. Paul to apply for an off-sale liquor license.

May 14, 2004 - Submitted off-sale liquor license to City of St. Paul.

July 29, 2004 - The City of St. Paul's office of license, inspections, and environmental protection (LIEP) approves the off-sale liquor license application for The Little Wine Shoppe and recommends the issuance of the license to the legislative hearing officer. At the conclusion of the legislative hearing the legislative hearing officer recommends the off-sale liquor license be granted.

August 18, 2004 - St. Paul City Council unanimously approves the off-sale liquor license upon the recommendation of the legislative hearing officer.

August 23, 2004 - Resolution approving the off-sale liquor license is signed by the St. Paul mayors office.

September 2, 2004 - Received letter from Alcohol and Gambling Enforcement Division stating that once the premises has been inspected and they have reviewed all necessary applications and insurance certificate, and received the Retail Identification Card application and \$20.00 fee that they would be able to approve the license and we would be able to begin receiving alcohol beverage shipments.

September 10, 2004 - Learned for the first time of the statute that no license to sell intoxicating liquor may be issued within a half-mile of the College of Agriculture of the University of Minnesota and that our store was located within the half-mile.

September 17, 2004 - My last day of employment as a Commercial Appraiser with the Ramsey County Assessors office after giving three week notice.

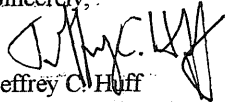
November 15, 2004 - The Executive Director of the St. Anthony Park Community Foundation writes a letter to Senator Ellen Anderson in support of The Little Wine Shoppe.

December 6, 2004 - The St. Anthony Park Community Council unanimously approves a resolution supporting the issuance of an off-sale liquor license to The Little Wine Shoppe.

December 8, 2004 - The St. Paul City Council passes a resolution supporting the authorization for St. Paul to offer an off-sale liquor license to an establishment within a half-mile of the University of Minnesota Agricultural College.

I have included copies of the letters and resolutions referenced above as well as three articles from the Park Bugle, a letter from the University of Minnesota, and a petition signed by local businesses supporting the wine shoppe. Your support and time in hearing our situation is greatly appreciated.

Sincerely,


Jeffrey C. Huff
The Little Wine Shoppe

Park Bugle

September 2004

Milton Square wine shop off-sale liquor license approved

by Dave Healy

On August 18, the St. Paul City Council voted unanimously to approve an off-sale liquor license for The Little Wine Shoppe at 2236 Carter Avenue in Milton Square.

Jeffrey and Christina Huff of St. Anthony Park applied for the license, which required the consent of at least 75 percent of residential property owners and tenants within 300 feet of the proposed location.

Once the necessary signatures were obtained, a hearing was held on July 29, when a legislative hearing officer recommended several conditions:

- Deliveries may be made between 9:15 a.m. and 5:00 p.m. only.

- The store will not sell malt liquor, domestic 40 oz. beers (excluding micro brews) or half pints of liquor.

- The St. Anthony Park Community Council will be notified by St. Paul's Office of License, Inspections and Environmental Protection 60 days prior to the expiration of the license so that the neighborhood can meet to discuss or recommend changes or additions to the license.

The City Council approved those conditions and also stipulated that the license is not transferable and that the licensee may not expand the off-sale store without city licensing and zoning approval.

The Huffs plan to open The Little Wine Shoppe by October 1. The 350-square-foot store will sell wine, micro-brewed and imported beer, and a limited selection of high-end liquor and liqueurs.

Park Bugle

September 2004

Thanks for your support

Five months ago we began the application process to obtain an off-sale liquor license for a small boutique wine shop at Milton Square. Our intention is to offer an aesthetic shopping environment, where the focus is on personalized service and affordable quality wines with a small selection of microbrew/import beer and high-end liquor and liqueurs.

Over the past five months, we have talked with many residents and local business owners about our plans. The response has been overwhelmingly supportive. During the licensing process, which was long and thorough, we met with a few neighboring residents who expressed concern about the potential effect our business could have on the neighborhood.

On July 29th a public legislative hearing was held to provide an opportunity for those interested in the proposed application to express their opinions, particularly those concerned residents located within 350 feet of the proposed store.

At the conclusion of the meeting, the legislative hearing officer determined that all requirements of our application were met and recommended the off-sale liquor license be approved by the City Council with conditions. The conditions negotiated were designed to address concerns of those few dissenting residents.

While we have tried to the best of our ability to please everyone, we realize the difficulty of such a goal. In the end, we feel we have addressed the reasonable concerns by reasonable means. We are confident that a majority of our neighbors will consider our

wine store to be a complimentary addition to the neighborhood, providing them with a unique shopping experience in a close and familiar environment.

On August 18, the City Council unanimously approved an off-sale liquor license for the Little Wine Shoppe, to be located at 2236 Carter Avenue.

Our family lives in the St. Anthony Park neighborhood. We take great pride in being part of this unique urban village, and we look forward to also being part of the business community that contributes to the character of our neighborhood.

Thanks to all those who have shown their support.

*Christina and Jeffrey Huff
St. Anthony Park*

Park Bugle

October 2004

Best wishes to new business

I am writing to express my appreciation for the gracious and accurate report made in last month's letter to the editor from Jeffrey and Christina Huff concerning issuance of an off-sale liquor license to their new business, The Little Wine Shoppe.

I was one of the few who opposed issuance of the license. My objection, however, was not to the kind and scope of the business described by the Huffs, but to the kind of license for which they had applied.

That was an unrestricted off-sale liquor license authorizing a type and scope of business very different from what they intended to conduct. As they were quick to explain, however, that is the only type of license available.

Through several meetings with the Huffs and other concerned residents, and with the assistance of Jay Benanav, our Ward 4 City Council representative, we identified restrictions to be placed on the license that were acceptable to the Huffs and allayed the fears that I and others had of an unrestricted license.

That we were able to resolve this matter by honest debate and courteous discussion speaks well for the quality of life in the St. Anthony Park community.

There will always be conflicts between the interests of the business community and those of the residential community. So long as each group is willing to consider and accommodate the reasonable needs of the other, we

can hope to preserve the good order and vitality of our whole community. We need not imitate Grand Avenue or Dinkytown.

I wish Jeffrey and Christina Huff success in their new business venture.

*William Glew
St. Anthony Park*



CITY OF SAINT PAUL
Randy C. Kelly, Mayor

LOWRY PROFESSIONAL BUILDING
350 St. Peter Street, Suite 300
Saint Paul, Minnesota 551021510

Telephone: 651-266-9090
Facsimile: 651-266-9124
Web: www.liep.us

July 28, 2004

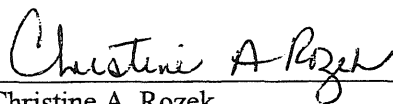
PENDING APPLICATION

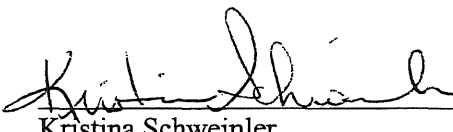
Petition - The Little Wine Shop License ID #20040002025
2236 Carter Avenue

<u>Signatures Needed</u>	<u>Signatures Received</u>
20 - Single family residences	14
2 - (1 duplex, 2 units)	2
5 - (5-plex, 5 units)	4
9 - (units over commercial property)	9
<hr/>	<hr/>
36	29

$29 / 36 = 80.1\%$

Nursing home - not counted as a dwelling unit


Christine A. Rozek
LIEP Deputy Director


Kristina Schweinler
LIEP Senior License Inspector



CITY OF SAINT PAUL
Randy C. Kelly, Mayor

LOWRY PROFESSIONAL BUILDING
350 St. Peter Street, Suite 300
Saint Paul, Minnesota 551021510

Telephone: 651-266-9090
Facsimile: 651-266-9124
Web: www.liep.us

LICENSE APPLICATION SUMMARY

Date: Thursday, July 29, 2004 at 10:00 AM

License Information: 20040002025
The Little Wine Shoppe Inc doing business as The Little Wine Shop
(Jeffrey Huff, President)

located at 2236 Carter Avenue

Application for Liquor Off Sale License

Recommended License Conditions: None

License Requirements: Environmental Health: approved
Fire: in process
License: approved with submittal of liquor liability insurance
Zoning: approved

Current Licensee: none

LIEP Recommendation: Approval

SUBSTITUTE 8-18-04

Council File #04-800
Green Sheet # 3021456
Amended 8-18-04

RESOLUTION
CITY OF SAINT PAUL, MINNESOTA

18

Presented by Jay Benav

Referred To _____ Committee Date _____

WHEREAS, the Legislative Hearing Officer recommends that the license application (ID #20040002025) for Liquor Off Sale at The Little Wine Shoppe, 2236 Carter Avenue be approved with the following conditions:

- 1. Deliveries to The Little Wine Shoppe will be made between 9:15am and 5:00pm only.
- 2. Licensees must remain in compliance with their lease agreement with Milton Investment Inc.
- 3. The Little Wine Shoppe will not sell malt liquor, domestic 40oz beers (excluding micro brews), or half pints of liquor.
- 4. The St. Anthony Park District Council will be notified by LIEP 60 days prior to the expiration of this license so that the neighborhood can meet to discuss/recommend changes or additions to the license conditions.

THEREFORE, BE IT RESOLVED that the Council of the City of Saint Paul hereby approves this license application with the conditions listed recommended by the Legislative Hearing Officer, and adds the conditions listed below, based on a subsequent meeting with the license applicants, Council Office and area residents:

- 5. This license shall not be transferable, and the licensee understands that any sale of the business requires that the new owners apply for and obtain their own off-sale liquor license, as is consistent with applicable laws and codes.
- 6. The Licensee may not expand the premises of the off-sale store without complying with all of the requirements of the City licensing and zoning laws and obtaining the required approvals, as is consistent with applicable laws and codes.
- 7. The City shall use all available means to enforce all conditions of this license.

	Yeas	Nays	Absent
Benav	✓		
Bostrom	✓		
Harris	✓		
Helgen	✓		
Lantry	✓		
Montgomery	✓		
Thune	✓		
	7	0	0

Requested by Department of: _____

By: _____

Form Approved by City Attorney
By: _____

Approved by Mayor for Submission to Council
By: _____

Adopted by Council: Date August 18, 2004

Adoption Certified by Council Secretary

By: Mary Erickson

Approved by Mayor: Date 8-23-04

By: Dennis J. Roberts

MINNESOTA DEPARTMENT OF PUBLIC SAFETY



Alcohol and Gambling Enforcement Division

444 Cedar Street, Suite 133, St. Paul, Minnesota 55101-5133
Phone: 651/296-6159 Fax: 651/297-5259 TTY: 651/282-6555
Internet website: www.dps.state.mn.us

September 2, 2004

The Little Wine Shoppe
2236 Carter Ave
St. Paul MN 55108

Liquor License Applicant,

Documents have been received in the Alcohol and Gambling Enforcement Office requesting approval of an **Off Sale** license at your establishment. Before we are able to approve your license, a physical inspection must be made of the premises to be licensed.

Please call the inspector named below to make an appointment for the inspection *when the location is ready*. After your premises has been inspected and we have reviewed all the necessary applications and insurance certificate, and received the Retail Identification Card application and \$20.00 fee, we will be able to approve your license and your establishment may begin receiving alcohol beverage shipments from your wholesale distributors.

Agent Contact
Michael McManus
(651) 775-5282 Cell Phone
(651) 296-6214 Office

Thank you for your cooperation in this matter

Allen C. Erickson, Enforcement Coordinator
Division of Alcohol and Gambling Enforcement

Alcohol &
Gambling
Enforcement

Bureau of
Criminal
Apprehension

Capitol Security

Driver & Vehicle
Services

Homeland
Security and
Emergency
Management

Justice
Programs

State Fire
Marshal/
Pipeline Safety

State Patrol

Traffic Safety

November 15, 2004

Senator Ellen Anderson
Room 120 Capitol Bldg.
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1606

Dear Senator Anderson,

I am writing on behalf of the St. Anthony Park neighborhood and two of our residents, Jeff and Christina Huff, regarding the continuing licensing process for a proposed retail wine shop in North St. Anthony Park.

In my position as executive director of the St. Anthony Park Community Foundation, I mediated several discussions between the Huffs and neighbors concerned with the addition of a liquor store to our local business district. From the start, the Huffs demonstrated a willingness to work with the community on an issue that was sensitive to some and certainly precedent-setting. They made themselves available to interested neighbors, listened to their concerns, and voluntarily agreed to conditions that would address these concerns in both their lease agreement and license application.

I am enclosing a copy of a letter written to our neighborhood newspaper by a lawyer who was the leader of this concerned group. It was written after all the meetings and a hearing that gave all sides adequate opportunity to represent their points of view. The content and tone of this letter should give you confidence that even in a neighborhood known for strong opinions, this matter was handled in a positive and constructive manner.

I give you this background so you understand this proposed establishment is supported by the majority of our community. It will be a helpful addition to our fragile North St. Anthony Park business district and is in keeping with the wishes expressed by neighbors in our recent neighborhood survey included in the 2003 St. Anthony Park Community Report commissioned by our Foundation and the District 12 Community Council.

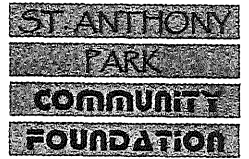
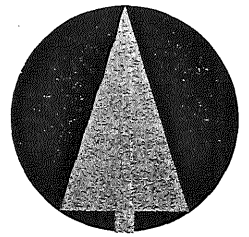
I hope you will do everything possible to promptly facilitate the legislative process I understand is now necessary to waive the University of Minnesota's half-mile condition regarding "on or off-sale" liquor licenses near the St. Paul Campus. In my opinion, the Huffs have gone above and beyond the usual measures required of new business owners. Their patience, understanding, and persistence throughout this extended and often confusing ordeal speak favorably to the strengths they would bring as members of our business community.

Thank you in advance for your help on this matter,



Jon Schumacher
Executive Director
St. Anthony Park Community Foundation

Cc: Jeff and Christina Huff, Mary Ann Milton



Executive Director

Jon Schumacher

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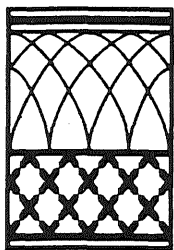
Glen Skovholt

Blaine Thrasher

Steve Townley

Visit our website at
www.sapfoundation.org

The St. Anthony Park
Community
Foundation is a
tax-exempt
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St. Anthony Park Community Council

December 6, 2004

Jeffrey Huff
The Little Wine Shoppe, Inc.
2361 Bourne Avenue
Saint Paul, Minnesota 55108

Re: Liquor License Application; 2236 Carter Avenue

Dear Mr. ^{Jeff}Huff,

On Monday, December 6, 2004, the St. Anthony Park Community Council unanimously approved the following resolution:

St. Anthony Park Community Council supports the liquor off sale license for The Little Wine Shoppe, Inc. located at 2236 Carter Avenue.

If you have any questions with regards to this resolution, please contact me at 651-649-5992.

Best regards,

Melissa Mathews
Executive Director

C: Senator Ellen Anderson
Representative Alice Hausman
Councilmember Jay Benanav

**RESOLUTION
CITY OF SAINT PAUL, MINNESOTA**

11

Presented by _____



Referred To _____

Committee Date _____

**Supports the Authorization for Saint Paul to Offer Off-Sale Liquor Licence
Within a Half-Mile of the University of Minnesota's Agricultural College**

1 WHEREAS, the City of Saint Paul supports licensing public events where alcohol will be sold and consumed; and

2 WHEREAS, state law does not allow off-sale liquor licenses to be granted within a half mile of the University of
3 Minnesota's Agricultural College; and

4 WHEREAS, the City Council has approved the liquor license for a store in this area but they cannot receive their
5 license due to this state law; and

6 WHEREAS, the language is found in Minnesota Statutes Chapter 340A.101; and

7 WHEREAS, the Saint Paul City Council is the policy making body for the City of Saint Paul, and as such, its work
8 is inextricably linked to the City's Legislative Agenda; now therefore be it

9 RESOLVED, that the City of Saint Paul supports changing Minnesota Statutes Chapter 340A.101 to authorize an
10 ff-sale liquor license for an establishment within a half-mile of the University of Minnesota's Agricultural College.

	Yeas	Nays	Absent
Benanav			
Bostrom			
Harris			
Helgen			
Lantry			
Montgomery			
Thune			

Requested by Department of: _____

By: _____

Form Approved by City Attorney

By: _____

Approved by Mayor for Submission to Council

By: _____

Adopted by Council: Date _____

Adoption Certified by Council Secretary

By: _____

Approved by Mayor: Date _____

By: _____

UNIVERSITY OF MINNESOTA

*Government and Community Relations
Office of University Relations*

*3 Morrill Hall
100 Church Street S.E.
Minneapolis, MN 55455
Office: 612-626-9234
Fax: 612-624-6369*

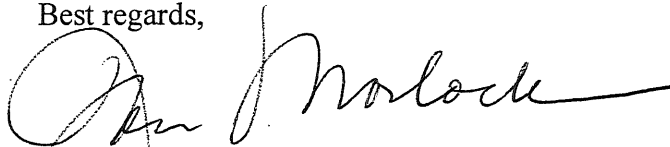
January 14, 2005

Senator Ellen Anderson
120 State Capitol
75 Reverend Martin Luther King Jr. Boulevard
Saint Paul, Minnesota 55155

Dear Senator Anderson:

Thank you for the opportunity to comment on Senate File 206. This is to advise you that the University of Minnesota is neutral on this issue.

Best regards,



Jan Morlock

Director of Community Relations for the Twin Cities Campus

Cc: Senator Linda Scheid
Council Member Jay Benanav
Melissa Matthews, St. Anthony Park Community Council

The following businesses located in the St. Anthony Park neighborhood fully support Jeffrey and Christina Huff in their effort to open The Little Wine Shoppe at 2236 Carter Avenue. We welcome the addition of a fine wine store to the neighborhood and the additional business that it is sure to bring to our community.

Business Name	Owner/Manager	Signature
ST. ANTHONY PARK BANIC	RICK BEESON	<i>Rick Beeson</i>
PARK HARDWARE INC	DAVE KERN	<i>Dave Kern</i>
elle salon	Christine Wengler	CHRISTINE WENGLER
Milwaukee's Bookstore	Hans Weyandt	Hans Weyandt
Como Rose Travel	Cindy K. Brown	<i>Cindy K. Brown</i>
Carter Ave. Frame Shop	Tim Smith	<i>Tim Smith</i>
State Farm Insurance	Jim Rehrenbach	<i>Jim Rehrenbach</i>
Brugger's Books	Scott Peterson	<i>Scott Peterson</i>
WILCOX REALTY	Steve TOWNLEY	<i>Steve Townley</i>
Architron	Jeff Storm	<i>Jeff Storm</i> <i>Philip Broussard</i>
Muffuletta Cafe	Allyson Tarnowski	<i>Allyson Tarnowski</i>
Lori's coffee house & others in 1435-1441 street	Mahmoud Shakin	<i>Mahmoud Shakin</i>
Viniego Coffeehouse (in the park)	Rachel Riley general manager	<i>Rachel Riley</i>
TASTE OF SCANDINAVIA		<i>Phil Cullen</i>
EMIL GUSTAFSON JEWELERS	SUZANNE M. FANTLE	<i>Suzanne M. Fantle</i>
Paul Kirkegaard DDS	Paul Kirkegaard	<i>Paul Kirkegaard</i>
Belinda Escalante/Perfect little Spa + Salon	Belinda Escalante	<i>Belinda Escalante</i>

