



SENATE LIQUOR CONTROL COMMITTEE  
SUBCOMMITTEE TO STUDY LIQUOR LAWS

REPORT OF SUBCOMMITTEE

Subcommittee members:

John H. McKee, Chairman  
Robert R. Dunlap  
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Dated December 22, 1966.

SENATE LIQUOR CONTROL COMMITTEE  
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REPORT OF SUBCOMMITTEE

The subcommittee of the committee on Liquor Control, concerned with the advisability of the revision of the liquor laws, begs leave to report as follows:

SUBCOMMITTEE AUTHORIZATION

The committee on Rules and Legislative Expense activated the committee on Liquor Control and assigned as a study:

"Advisability of revision of liquor control laws and recommendations for revision, if any. (This study, if the committee shall determine, may be carried on jointly with the subcommittee of the Judiciary Committee.)"

The study was delegated to the reporting subcommittee.

PRELIMINARY CONSIDERATIONS

Existing laws relating to non-intoxicating malt liquors find their origin in 1933. Existing laws relating to intoxicating liquors predate prohibition in some instances, but the existing system for the distribution and sale thereof find their origin in the Extra Session of 1934. The entire subject is compiled in Minnesota Statutes 1965, Chapter 340, the arrangement of the chapter having been established in the codification of the general laws known as Revised Statutes of 1945.

Over the years the numerous parts of Chapter 340 have been substantially amended. Many of the amendments combine the regulation of non-intoxicating and intoxicating malt liquor and intoxicating liquor and carve out exceptions for certain geographical areas. As a result it is difficult to ascertain the existing law on the subject without resorting to the decisions of the courts and the numerous opinions of the attorney general.

When a series of laws on the subject have been in existence for more than 30 years, they should be reviewed to determine whether or not updating is necessary in order to meet the needs of changing times. Sometimes in order to review the statutes it is first necessary to rewrite them so as to embody within their language the interpretations of the courts. Unless this is done, they are not understandable. The subcommittee has undertaken to make the beer and liquor laws understandable.

The subcommittee however has not undertaken to recommend a revision of the policy and philosophy of the law because it does not believe that this can satisfactorily be done until such time as the legislature first enacts in statutory form this existing law as it has been construed by the courts and the attorney general.

#### THE STUDY

The subcommittee has undertaken to segregate the laws relating to non-intoxicating malt liquors and the laws relating to intoxicating liquors, making as few changes in the text of

the existing statutes as are necessary to accomplish this segregation and to rearrange the segregated material in an orderly and logical sequence.

The laws relating to non-intoxicating malt liquor are collected in a proposal labeled as the "non-intoxicating malt liquor act." The laws relating to intoxicating liquors are collected in a proposal labeled as the "intoxicating liquor act." Your subcommittee has prepared a memorandum explaining each section and part of each of the proposals in relationship to the existing statutory provisions and the reasons for each part of each of the proposals.

#### RECOMMENDATIONS

The subcommittee recommends the enactment into law of its proposals in bill form, each of which is attached and labeled respectively "A Bill for an Act Regulating Non-Intoxicating Malt Liquor" and "A Bill for an Act Regulating Intoxicating Liquor" for the reasons set forth in this report and the memorandum attached to each of the bills.

The subcommittee also recommends that, with reference to existing legal provisions relating to certain geographical areas, the existing special or local acts be treated in the manner suggested in the memoranda.

In reference to non-intoxicating malt liquor licenses of less than one year's duration, which under existing law are permitted only in Houston county, the subcommittee recommends that a special act for Houston county be enacted in the

form attached to this report and for the reasons explained in the memorandum attached to the proposal of the subcommittee relating to the regulation of non-intoxicating malt liquor.

Respectfully submitted,

JOHN H. McKEE

John H. McKee, Chairman

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Dated December 22 , 1966.

87.407

A BILL FOR AN ACT

RELATING TO THE VILLAGES OF BROWNSVILLE,  
CALEDONIA, EITZEN, HOKAH, HOUSTON,  
LA CRESCENT, AND SPRING GROVE IN HOUSTON  
COUNTY AND THE COUNTY OF HOUSTON;  
PERMITTING SUCH VILLAGES AND THE COUNTY  
TO ISSUE LICENSES FOR THE SALE OF  
NON-INTOXICATING MALT LIQUORS FOR A  
PERIOD OF LESS THAN ONE YEAR.

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

Section 1. Any of the villages of Brownsville, Caledonia, Eitzen, Hokah, Houston, La Crescent, and Spring Grove in Houston county, and the county of Houston may issue licenses for the sale of non-intoxicating malt liquors for a period of less than one year, notwithstanding any law to the contrary.

Sec. 2. This act is effective as to each specific local government unit named in Section 1 upon its approval by the members of the governing body thereof and upon compliance with Minnesota Statutes 1965, Section 645.021.

A BILL FOR AN ACT

REGULATING NON-INTOXICATING MALT LIQUOR AND PROVIDING PENALTIES FOR THE VIOLATION OF THE PROVISIONS THEREOF; AMENDING MINNESOTA STATUTES 1965, CHAPTER 340 BY ADDING SECTIONS THERETO; MINNESOTA STATUTES 1965, SECTIONS 340.01; 340.02; AND REPEALING MINNESOTA STATUTES 1965, SECTIONS 340.013; 340.021; 340.022; 340.023; 340.025; 340.026; 340.03; 340.04; 340.05; AND 340.06.

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

Section 1. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.001] [DEFINITIONS] Subdivision 1. For the purposes of the non-intoxicating malt liquor act, except where the context otherwise requires, the terms defined in this section shall have the meanings given them.

Subd. 2. Non-intoxicating malt liquor is any malt liquor containing not less than one-half of one per cent alcohol by volume nor more than 3.2 per cent alcohol by weight and is a fermented malt beverage for the purposes of Minnesota Statutes 1965, Sections 340.44 to 340.56.

Subd. 3. Commissioner is the liquor control commissioner.

Subd. 4. "On-sale" is any sale of non-intoxicating malt liquor to be consumed on the licensed premises.

Subd. 5. "Off-sale" is any sale of non-intoxicating malt liquor to be consumed off the premises.

Subd. 6. Municipality means any city, village, or borough.

Subd. 7. A bona fide club is an organization organized for social purposes, business purposes, for intellectual improvement, or for the promotion of sports where the serving of non-intoxicating malt liquor is incidental to and not the main purpose of the club.

Subd. 8. An affiliate or subsidiary company of a manufacturer shall be one in which the manufacturer or its stockholders own a majority of the stock.

Sec. 2. Minnesota Statutes 1965, Section 340.01, is amended to read:

340.01 [LICENSES.] There is hereby conferred upon the governing body of each county, ~~city, village,~~ and borough municipality in the state the authority to license and regulate the business of vendors at retail or wholesale of non-intoxicating malt liquors within their respective jurisdictions, to impose a license fee therefor and to provide for the punishment of any violation of any such regulations according to the provisions of law; provided, that no such business may be licensed by the county board to be located in any town, unless the consent of

the governing body of such town, if organized, is filed with the application for such license. Before any town board shall give consent to the issuance of any license by the county board in their township, they shall have secured the written recommendation and the accompanying statement provided for in the following paragraph.

No license shall be issued or renewed by the county board after application has been made therefor until said county board shall have secured the written recommendation of the sheriff and of the county attorney. Said recommendation shall be accompanied by a statement attesting that to the best of their knowledge the applicant has not, within a period of five years prior to the date of such application, violated any law relating to the sale of non-intoxicating malt liquor or of intoxicating liquor and that in their judgment the applicant will comply with the laws and regulations relating to the conduct of said business in the event said license is issued or renewed. Before issuing or renewing any license, the county board shall consider the recommendation of the sheriff and the county attorney, the character and reputation of the applicant, the nature of the business to be conducted, and the type of premises and propriety of the location of said business.

~~Persons holding licenses shall not permit any minor to  
leave or remain in the room where non-intoxicating malt liquor  
is being sold or served unless accompanied by his parent or legal  
guardian. No license shall be issued or renewed if the applicant  
within a period of five years prior to the date of such application  
has been convicted of violating any law relating to the sale of  
non-intoxicating malt liquor or of intoxicating liquor.~~

Sec. 3. Minnesota Statutes 1965, Chapter 340, is amended  
by adding a section to read:

[340.013] [NON-INTOXICATING MALT LIQUOR LICENSE FEES;  
DIVISION] One-half of the fee received by the county for license  
to sell non-intoxicating malt liquors, at wholesale or retail,  
in any town in the county shall be paid to the town board where  
such business is located.

Sec. 4. Minnesota Statutes 1965, Section 340.02, is amended  
to read:

340.02 [LICENSE WHEN REQUIRED TO SELL; FEES.] Subdivision 1.  
Except as provided in this section, it shall be unlawful to sell  
non-intoxicating malt liquors, at retail, or wholesale, except  
when licensed as hereinafter provided. Sales; however; may be  
made without a license; as provided in section 340.413. There  
shall be three types of licenses.

Subd. 2. ["ON-SALE" FEES.] Retail "on-sale" licenses shall permit the licensee to sell such non-intoxicating malt liquors for consumption on the licensed premises, and the license fee therefor shall be \$10 per annum, unless the county; ~~city;~~ ~~village~~ or borough municipality wherein the premises are situated shall fix a higher fee to be paid to such county; ~~city;~~ ~~village;~~ or borough municipality. "On-sale" licenses shall be granted only to drug stores, restaurants, hotels, bona fide clubs, and establishments for the sale of non-intoxicating malt beverages, cigars, cigarettes, all forms of tobacco, beverages, and soft drinks at retail; ~~provided that no manufacturer or wholesaler of such non-intoxicating malt liquors shall have any ownership in whole or in part; in the business of any licensee holding an "on-sale" license; a bona fide club under sections 340.01, 340.02, and 340.03 to 340.06 is an organization for social or business purposes or for intellectual improvement; or for the promotion of sports; where the serving of such non-intoxicating malt liquors is incidental and not the major purpose of the club.~~

Subd. 3. ["OFF-SALE"; FEES.] Retail "off-sale" licenses shall permit the licensee to sell non-intoxicating malt liquors in original packages for consumption off the premises only, and the license fee therefor shall be not more than \$15 per annum.

Subd. 4. ~~The liquor control commissioner may issue an "on-sale" license to any railroad company operating within the state which shall permit such railroad company to sell~~

non-intoxicating-malt-liquors-in-its-dining-cars;-buffet-cars;  
cafe-cars;-and-observation-cars;-such-company-shall-keep-a-duplicate  
of-such-license-posted-in-each-car-where-such-malt-liquors-are  
served;--Each-railroad-company-applying-for-such-license-shall  
pay-to-the-liquor-control-commissioner-a-fee-of-\$25-for-such-license  
and-\$2-for-each-duplicate-thereof;-which-fee-shall-be-paid-into  
the-state-treasury:

Subd. 4. [COMMON CARRIER LICENSES; FEES] The liquor  
control commissioner may license a person certificated by either  
the state of Minnesota or the United States of America, or an  
agency thereof, as a common carrier engaged in the business of  
transporting persons for hire in interstate or intrastate commerce  
to sell, at "on-sale," non-intoxicating malt liquors, but no such  
license shall be issued unless such common carrier serves meals  
or lunches in the place where such non-intoxicating malt liquors  
are to be sold. A person applying for such a license shall pay  
the liquor control commissioner a fee of \$25 per annum for such  
license and \$2 for each duplicate thereof. The duplicate of each  
license shall be posted in each place where non-intoxicating malt  
liquors are sold by such person. A licensee under this provision  
may serve non-intoxicating malt liquors only to a bona fide  
passenger thereof who is actually being transported in interstate  
or intrastate commerce.

Subd. 5. [WHOLESALE LICENSE; FEES] The commissioner may issue wholesale licenses upon application and payment of a license fee of \$10 per annum, which license shall permit the licensee to sell non-intoxicating malt beverages to holders of on or off-sale retail licenses. The fee therefor shall be paid into the state treasury. Any person licensed under Minnesota Statutes, section 340.402 as a manufacturer or wholesaler of intoxicating malt liquor, shall not be required to obtain any such license and may sell non-intoxicating malt beverages at wholesale without further license.

Subd. 6. [MANUFACTURER; PROHIBITIONS] No manufacturer of non-intoxicating malt liquor, nor any affiliate or subsidiary company of such manufacturer, shall sell such non-intoxicating malt liquor except as provided in this section.

~~Subd. 6. No manufacturer of non-intoxicating malt liquor; nor any affiliate or subsidiary company of such manufacturer; shall sell such liquor except as herein restricted. An affiliate or subsidiary company shall be one in which such manufacturer or its stockholders own a majority of the stock.~~

Subd. 5: 7. [MANUFACTURER; SALES.] A manufacturer of non-intoxicating malt liquor may, without license, sell such liquor to licensed dealers holding either "on-sale" or "off-sale"

licenses, and may sell and deliver the same in quantities of not less than two gallons, direct to consumers at their homes.

Subd. 7- 8. [PERSONS ELIGIBLE.] Licenses hereunder shall be issued only to persons who are citizens of the United States and who are of good moral character and repute, who have attained the age of 21 years and who are proprietors of the establishments for which the licenses are issued.

~~Subd. 8:--No manufacturer or wholesaler shall; directly or indirectly; or through a subsidiary or affiliate corporation; or by any officer; director; stockholder or partner thereof; give; lend or advance any money; credit; or other thing of value to any retailer or to any person for the benefit or relief of any retailer; nor furnish; give; lend; lease; or sell to any person any furniture; fixtures; fittings; or equipment; nor shall any manufacturer or wholesaler; directly or indirectly; have any interest in; or pay for; any retail licenses; or advance; furnish; lend or give money for the payment of retail license fees or any expense incident to the obtaining of such license; nor shall any manufacturer or wholesaler become bound in any manner; directly or indirectly for the repayment of any loan made to; or the fulfillment of any financial obligation of; any retailer; except that manufacturers or wholesalers may:~~

(a) -- furnish; -- lend; -- or rent outside signs to retailers; provided the cost of such signs; -- in the aggregate; -- furnished; lent; -- or rented by any manufacturer or wholesaler to any retailer shall not exceed \$100 exclusive of erection; -- installation; -- and repair charges; -- but nothing herein shall be construed as affecting signs owned and located in the state on April 16, 1943; -- by any such manufacturer or wholesaler; -- (b) -- furnish inside signs; miscellaneous advertising matter; -- and other items not to exceed; in the aggregate; -- a cost of \$25 in any calendar year to any one retailer; -- (c) -- furnish or maintain for retailers such equipment as is designed and intended to preserve and maintain the sanitary dispensing of non-intoxicating malt liquors; -- provided the expense incurred thereby does not exceed the sum of \$25 per tap per calendar year; -- no part of which shall be paid in cash to any retailer; -- (d) -- acquire within ten days after April 16, 1943; -- any furniture; -- fixtures; -- fittings; -- and equipment or any valid lien thereon or interest therein; -- which were actually installed on the premises of any retailer prior to April 16, 1943; -- (e) -- lease or lend to the owner of the premises; -- or to any retailer now or hereafter occupying the premises; -- any furniture; -- fixtures; -- fittings; and equipment actually located on said premises on April 16, 1943.

Subd: 9: -- Any such manufacturer or wholesaler who; -- within ten days after April 16, 1943; -- owns any furniture; -- fixtures;

fittings; or equipment in possession of any retailer on April 16, 1948; may, within 90 days thereafter, sell the same to such retailer only for cash on delivery and deliver a bill of sale to the same.

Subd. 10:--No manufacturer or wholesaler shall hereafter, directly or indirectly, or through a subsidiary or affiliate corporation; or by any officer, director, stockholder, or partner; enter into any agreement, oral or written; whether or not incorporated in any chattel mortgage; conditional sales contract; bill of sale; lease and contract; mortgage; deed; or other instrument; wherein and whereby any retailer is required to purchase the non-intoxicating malt liquor of any manufacturer to the exclusion, in whole or in part, of the products of other manufacturers:

Subd. 11:--Any retailer who shall be a party to any violation of subdivision 8 or subdivision 9 or who shall receive the benefits thereof shall be equally guilty of a violation of the provisions thereof and shall be subject to the penalty hereinafter provided:

Subd. 12:--Any person who shall violate the provisions of subdivision 8 or subdivision 9 shall be guilty of a gross misdemeanor and each violation shall constitute a separate offense.

Subd. 9. [LICENSES; DURATION] All licenses for the sale of non-intoxicating malt liquor shall be issued for a period of one year, except that for the purpose of coordinating the time of

expiration of licenses in general, such licenses may be issued for a shorter time to expire at a given period of the year, in which case a pro rata fee shall be charged.

Subd. 10. [MANUFACTURER'S EMPLOYEES SALES.] A manufacturer of non-intoxicating malt liquor may, without license, sell non-intoxicating malt beverages to any employee of such manufacturer or to any former employee who has retired from such employment because of age or physical disability. Such beverages shall be sold for consumption off the premises only, and the amount sold to any one person in any one week, together with any intoxicating malt liquor sold under Minnesota Statutes, Section 340.413, shall not exceed 768 fluid ounces.

Subd. 11. [LICENSES; FEE REFUNDS; CERTAIN EXTENSIONS.] In case during the term of any "off-sale" or "on-sale" non-intoxicating malt beverages license, the place of business of any licensee shall be destroyed or so damaged by fire, or otherwise, that the licensee shall cease to carry on the licensed business, or in case the business of the licensee shall cease by reason of his illness or death, or if it shall become unlawful for the licensee to carry on the licensed business under his license, except when such license is revoked, the licensing authority may, upon the happening of any such event, refund to the licensee or to his estate such part of the license fee paid

by him as corresponds to the time such license had yet to run.  
In case of death of any licensee of any "off-sale" or "on-sale"  
non-intoxicating malt beverages, his personal representative is  
hereby authorized to continue operation of said business for not  
more than 90 days after the death of such licensee. This section  
shall apply to licenses issued after January 1, 1944.

Subd. 12. [3.2 LICENSEES; FEDERAL LIQUOR STAMPS] No license  
for the sale of non-intoxicating malt liquor, containing not more  
than 3.2 per cent of alcohol by weight, shall be issued to any  
person who is also the owner and holder of, or to whom there is  
hereafter issued, a federal retail liquor dealer's special tax  
stamp for the sale of intoxicating liquor at any place unless  
there has also been issued to such person a license to sell  
intoxicating liquor pursuant to the laws of this state at such  
place; and the non-intoxicating malt liquor license of any person  
who is also the owner and holder of, or to whom there is hereafter  
issued, such federal retail liquor dealer's special stamp, and  
who does not have a license to sell intoxicating liquors pursuant  
to the laws of this state for such place, shall be forthwith  
revoked by the governing body issuing the same, without notice  
and without a hearing on such revocation.

Subd. 13. [LICENSEES; MISDEMEANOR TO HOLD FEDERAL LIQUOR  
STAMPS] Any person who sells non-intoxicating malt liquor,

containing not more than 3.2 per cent alcohol by weight, while holding or exhibiting in his place of business a federal retail liquor dealer's special tax stamp, without having an intoxicating liquor license under the laws of Minnesota, shall be guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.031] [MANUFACTURERS AND WHOLESALERS] Subdivision 1.  
No manufacturer or wholesaler of non-intoxicating malt liquor shall have any ownership, in whole or in part, in the business of any licensee holding an "on-sale" license.

Subd. 2. No manufacturer or wholesaler shall, directly or indirectly, or through a subsidiary or affiliate corporation, or by any officer, director, stockholder, or partner thereof, give, lend, or advance any money, credit, or other thing of value to any retailer or to any person for the benefit or relief of any retailer, nor furnish, give, lend, lease, or sell to any person any furniture, fixtures, fittings, or equipment; nor shall any manufacturer or wholesaler, directly or indirectly, have any interest in, or pay for, any retail licenses, or advance, furnish, lend, or give money for the payment of retail license fees or any expense incident to the obtaining of such license; nor shall any manufacturer or wholesaler become bound in any manner, directly

or indirectly, for the repayment of any loan made to, or the fulfillment of any financial obligation of, any retailer; except that manufacturers or wholesalers may:

(a) furnish, lend, or rent outside signs to retailers, provided the cost of such signs, in the aggregate, furnished, lent, or rented by any manufacturer or wholesaler to any retailer shall not exceed \$100, exclusive of erection, installation, and repair charges; but nothing herein shall be construed as affecting signs owned and located in the state on April 16, 1943, by any such manufacturer or wholesaler; (b) furnish inside signs, miscellaneous advertising matter, and other items not to exceed, in the aggregate, a cost of \$25 in any calendar year to any one retailer; (c) furnish or maintain for retailers such equipment as is designed and intended to preserve and maintain the sanitary dispensing of non-intoxicating malt liquors, provided the expense incurred thereby does not exceed the sum of \$25 per tap per calendar year, no part of which shall be paid in cash to any retailer; (d) lease or lend to the owner of the premises, or to any retailer now or hereafter occupying the premises, any furniture, fixtures, fittings, and equipment actually located on said premises on April 16, 1943.

Any retailer who shall be a party to any violation of this subdivision or who shall receive the benefits thereof shall be

equally guilty of a violation of the provisions thereof and shall be subject to the penalty hereinafter provided.

Any person who shall violate the provisions of this subdivision is guilty of a gross misdemeanor, and each violation shall constitute a separate offense.

Subd. 3. No manufacturer or wholesaler shall hereafter, directly or indirectly, or through a subsidiary or affiliate corporation, or by any officer, director, stockholder, or partner, enter into any agreement, oral or written, whether or not incorporated in any chattel mortgage, conditional sales contract, bill of sale, lease land contract, mortgage, deed, or other instrument, wherein and whereby any retailer is required to purchase the non-intoxicating malt liquor of any manufacturer to the exclusion, in whole or in part, of the products of other manufacturers.

Sec. 6. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.032] [IMPORTERS.] Subdivision 1. No non-intoxicating malt liquor shall be shipped into this state except by a person licensed in the manner provided in Minnesota Statutes, Section 340.493.

Subd. 2. All non-intoxicating malt liquors manufactured outside the state of Minnesota may be shipped into this state

for sale only to a licensed Minnesota wholesaler and shall be unloaded into such wholesaler's warehouse in Minnesota, and said licensed wholesaler shall distribute said malt beverages from such warehouse; provided that the requirements of this section as to warehousing shall not apply to a wholesaler located in any adjoining state which permits Minnesota wholesale licensees to deliver malt beverages to retailers without warehousing in that state.

Sec. 7. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.033] [SIZE OF CONTAINERS.] Notwithstanding any law or regulation of any state department to the contrary, non-intoxicating malt liquors may be sold in containers which contain 128 ounces of such non-intoxicating malt liquor.

Sec. 8. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.034] [SALES; CLOSING HOURS.] Subdivision 1. No sale of non-intoxicating malt liquor shall be made between the hours of one a.m. and eight a.m. on any week day Monday through Saturday inclusive. Neither shall any sale of such liquor be made on any Sunday between the hours of one a.m. and twelve o'clock noon, nor between the hours of one a.m. and eight o'clock p.m. on any election day in the district in which the election is held,

except that the governing body of a municipality may allow such sale in such municipality during such hours while only a town election is being held in such municipality.

Subd. 2. It shall be beyond the power of any political subdivision of this state to authorize or permit the sale of non-intoxicating malt liquors at hours when such sale is prohibited by the provisions of this section, but such political subdivisions may, within the time the laws of this state permit such sale, further limit the hours of sale of non-intoxicating liquors, provided that such limited hours for sale shall apply to both non-intoxicating malt liquors and intoxicating liquors.

Subd. 3. Any violation of this section is a misdemeanor and shall also be cause for the revocation or suspension of the license of the offender.

Sec. 9. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.035] [MINCRS.] Subdivision 1. It shall be unlawful for any:

(1) Licensee or his employee to sell or serve non-intoxicating malt liquor to any minor or to permit any minor to consume non-intoxicating malt liquor on the licensed premises or to

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permit any minor to loiter or to remain in the room where non-intoxicating malt liquor is being sold or served unless accompanied by his parent or legal guardian;

(2) Person other than the parent or legal guardian to procure non-intoxicating malt liquor for any minor;

(3) Person to induce a minor to purchase or procure non-intoxicating malt liquor;

(4) Minor to misrepresent his age for the purpose of obtaining non-intoxicating malt liquor;

(5) Minor to consume any non-intoxicating malt liquor unless in the company of his parent or guardian;

(6) Minor to have in his possession any non-intoxicating malt liquor, with intent to consume same at a place other than the household of his parent or guardian. Possession of such non-intoxicating malt liquor at a place other than the household of his parent or guardian shall be prima facie evidence of intent to consume the same at a place other than the household of his parent or guardian.

Subd. 2. A person violating any provision of this section is guilty of a misdemeanor.

Sec. 10. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.036] [PENALTIES.] Except where a different penalty is otherwise provided for, a person violating a provision of this act is guilty of a misdemeanor.

Sec. 11. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.037] [SAVINGS CLAUSE.] None of the provisions contained in Sections 1 to 13 shall be deemed to in any way abrogate any right or privilege of any municipality, or of any person, which existed immediately prior to the effective date of this act. It is contemplated by the provisions of this section that no municipality or person shall be deprived of any right or privilege conferred by any provision of law as it existed immediately prior to the enactment of the non-intoxicating malt liquor act.

Sec. 12. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.038] [CITATION.] This act may be cited as the non-intoxicating malt liquor act. None of its provisions, however, shall be construed to apply to a non-intoxicating malt liquor containing less than 1/2 of one percent of alcohol by volume.

Sec. 13. [REPEALER.] Minnesota Statutes 1965, Sections 340.013, 340.021, 340.022, 340.023, 340.025, 340.026, 340.03, 340.04, 340.05, and 340.06, are repealed.

MEMORANDUM

Section 1. The definitions in subdivisions 1 through 10 are the same as in Section 340.07, subdivisions 1 and 2. The definition of municipality in subdivision 11 is the definition in Section 340.07, subdivision 3, but changed so as to include a county, because counties have been authorized to issue resort licenses in two cases.

Subd. 12 is the same as Section 340.07, subd. 4.

Subd. 13 is a redraft of Section 340.07, subd. 5, required in order to clearly set forth what the legislature undoubtedly intended when it enacted Section 340.411 in 1963.

Immediately prior to the enactment of 340.411, exclusive liquor stores, "on" and "off-sale," could sell as a matter of right, in addition to liquor, tobacco products in all forms, ice. 3.2 beer, and soft drinks. 340.411 retained this right for "off-sale" establishments but took it away for "on-sale" and combination "on" and "off-sale" establishments except when authorized by the municipality. In these latter establishments, when likewise authorized by the municipality, they could sell food. A conflict in the laws discussed was thus created. To resolve this conflict, subdivision 13 is drafted so as to retain for all the establishments the right they had prior to the enactment of 340.411, leaving the municipality to authorize only the selling of food in the case of "on-sale" and combination

"on" and "off-sale" places. The term "food" was changed to "operate a restaurant or to sell food for consumption on the premises when authorized by the municipality" in order to eliminate the possibility that "food" might be construed to include groceries and meats, which was never intended by the legislature.

In order to conform with this definition, the language of 340.411 is being changed elsewhere in the bill.

The stricken proviso in subdivision 13 permitted a liquor establishment in Dakota county to sell food. In view of the definition in subdivision 13 resulting from the enactment of 340.411, there is no longer any necessity for this proviso, and no special law is necessary.

Subd. 13, although rewritten, continues to recognize the ownership and management of exclusive liquor stores. The authority of a municipality to operate an exclusive liquor store has been removed from the definition and placed elsewhere in the draft so that it will be readily recognizable.

Subd. 14. This subdivision prior to rewriting was Section 340.07, subd. 6. Under the terms thereof, the definition applied to cities of the first, second, and third classes and certain villages. Cities of the fourth class and villages under 5,000 were excluded by the enactment of 340.411, to which reference has previously been made, if the municipality permitted food to be sold in any "on-sale" establishment or in any combination "on" and "off-sale" establishment, the language of which is in

direct conflict with Section 340.07, Subd. 6, both as to places and seating. To resolve this conflict and at the same time carry out the legislative intent, the food authorization which appears in this draft under the definition of "exclusive liquor store" is tied to a restaurant, as well as permitting the sale of food for consumption on the premises, and the restaurant definition retains the classification of cities of the first, second, and third classes and certain villages as it appears in 340.07, Subd. 6, but includes cities of the fourth class and villages of 10,000 population or less without any limitation on seating capacity or anything else other than what the municipality shall determine.

By the changes in the definition of exclusive liquor store and the definition of restaurant and the rewrite of Section 340.411 as it will appear later in the bill, the conflicts have been resolved and the provisions of the bill clearly set forth the legislative intent.

Subdivision 15 is the same as Section 340.07, subdivision 7, except that a congressionally chartered veterans organization is included. This is required so that the definition be consistent with the existing provisions of Section 340.11, Subdivision 6, which recognizes certain veterans organizations as clubs.

Subdivisions 16 and 17, defining medicines and general food stores, are the same as 340.07, Subdivisions 8 and 9.

Section 2. This section amends 340.08 and changes only internal references in Subdivisions 1 and 2 to conform with the bill.

Subdivision 4 is renumbered Subdivision 3, and the bond form therein is made subject to the approval of the attorney general instead of the liquor control commissioner, which is consistent with other requirements in other state laws.

Section 3 amends Minnesota Statutes 1965, Section 340.09 so that the internal references will conform with the bill.

Section 4 amends Section 340.10 removing the obsolete provisions on publication of regulations, specifically stating that the regulations of the commissioner are subject to the administrative procedure regulations, except that his regulations may be printed in book form.

Section 5 amends Minnesota Statutes 1965, Section 340.11, so as to include in one section all the licensing provisions relating to intoxicating liquor.

Subdivision 1 is substantially the text of the first two sentences of 340.11, Subdivision 1, except that sales without a license referred to therein appear in Subdivision 15.

Subdivision 2 is the existing provision relating to manufacturers' and wholesalers' licenses contained in 340.11, Subdivision 1, slightly rearranged.

The last sentence of old Subdivision 1, relating to approval of "off-sale" licenses appears in Subdivision 4 of this section.

Subd. 3. This subdivision relates to common carrier licenses, railroads and airlines and is a rewrite of 340.11, Subd. 2, which originally applied to a railroad company, a dining car company, a sleeping car company, a water transportation company, or other common carrier. It conforms to the existing practice and regulations of the commissioner.

Subd. 4. This subdivision relates to approval of licenses, the text of which was formerly in 340.11, Subd. 3, and also encompasses the last sentence of 340.11, Subd. 1.

Subd. 5 is the same as section 340.11, Subd. 4, rewritten to change internal references and to eliminate the reference to "the governing bodies of a municipality."

Subd. 6 is subd. 5 of section 340.11, rewritten, and relates to the number of "on-sale" licenses which may be issued by first and second class cities. The part thereof shown to be stricken in the draft and which relates to the city of Duluth should be the subject of a special act which the city of Duluth shall cause to have introduced at the next legislative session. Unless a special act for Duluth is enacted, if the intoxicating liquor act is passed, the authority of the city will be gone after the close of the 1969 legislative session.

Old subd. 6 of section 340.11, which appears deleted at the end of new subd. 6, is the authority for issuing "on-sale" liquor licenses to bona fide clubs that have been in existence for 20 years or to veterans' organizations which have been in existence for 10 years prior to 1961, even in municipalities having municipally owned liquor stores. This authority now appears in sec. 5 at the end of subd. 11 when read with sec. 8, subd. 4.

Subdivision 7 is the substance of 340.11, subdivision 7, except that the special acts therein contained are shown in the stricken material. In order to accomplish revision of the liquor laws, these special acts must be eliminated. Under the savings clause at the end of the bill, the rights conferred by these

special acts will continue for two years so as to enable the municipalities affected, whoever they may be, to get special acts enacted at the next legislative session. The special acts in the stricken material appear to relate to New Ulm, Waseca, Mankato, and Stillwater. They may also relate to other places which the subcommittee is unable to determine.

Subd. 8. This subdivision is the same as subd. 8 of section 340.11 and relates to additional licenses in St. Louis county, but the word "such" was stricken and the words "on-sale" inserted in lieu thereof for purposes of clarity.

Subd. 9. This is a specific grant of power for the issuance of "on-sale" licenses at the Minneapolis-St. Paul airport. The existing grant of this power appears in section 340.07, subds. 3 and 10.

Subd. 10. This is a specific grant of power not presently in Chapter 340, which authorizes counties to issue intoxicating liquor licenses when the county is specifically authorized by law so to do. The purpose of including subdivision 10 in the bill is to be sure that a licensee of the county is subject to all the provisions of the intoxicating liquor act.

Subdivision 11. This is a rewrite of 340.11, subdivision 10, and is the basic authority for the issuance of intoxicating liquor licenses to a hotel, a club, a restaurant, and an exclusive liquor store. It also contains the provisions of section 340.11, subdivision 6, as to bona fide club licenses. The existing subdivision, within the number of liquor licenses authorized, apparently authorizes the issuance of liquor licenses to a hotel

or club or exclusive liquor store in a city of the first, second, third, or fourth class or a village; it authorizes the issuance of the same kind of license to a restaurant in a city of the first, second, or third class, in villages over 10,000, and in cities having a population in excess of 3,000 persons which are adjacent to the cities of the third class. It apparently does not authorize the issuance of a restaurant license to a village under 10,000, to a borough, or to other fourth class cities.

The enactment in 1963 of section 340.411, with the approval of the governing body, authorized the sale of food in any "on-sale" or combination "on" and "off-sale" establishment, regardless of the class of the municipality. This is recognized in subdivision 11 as it is rewritten, and a liquor license may be issued to any restaurant, with the size of the restaurant being governed by the definition of restaurant appearing elsewhere in the bill. The material in existing subdivision 10 relating to airports is stricken because the type of airport is covered in the definition of municipality. The material with reference to municipal liquor stores in old subdivision 10 is stricken because municipal liquor stores are treated elsewhere in the bill, as well as the issuance of "off-sale" and "on-sale" licenses or a combination "on-sale" and "off-sale" license to the same person in cities of the fourth class, villages under 10,000, and boroughs. The last sentence of old subdivision 10, relating to cities and villages having over 5,000 and not more than 10,000 population and for licensing of "on-sale" in restaurants in lieu of the establishment

of exclusive liquor stores, no longer has any meaning in view of the change brought about by the 1963 act previously referred to.

Subdivision 12. This is the specific authority for issuing combination "on" and "off-sale" licenses which presently appears in 340.11, subdivision 10, and is referred to in 340.116 and also in 340.07, subdivision 5, and in 340.11, subdivision 11. It includes the savings clause in subdivision 11 as to change in population and is similar to section 340.116, which is being repealed.

Subd. 13. This subdivision contains the substance of 340.11, subd. 11, rearranged and rewritten, except that the language in subd. 11 relating to Duluth is dropped, and Duluth may need a special act if it is to retain the powers conferred after the close of the 1969 legislative session. The language therein relating to cities of the fourth class, villages, and boroughs which have increased their population over 10,000 is contained in Sec. 5, subd. 12.

Subdivision 14. This is the same as section 340.11, subdivision 12, except for the correction of erroneous internal references.

Old subdivisions 13, 16, 18, and 19 of 340.11 have been stricken. Subdivision 13 is obsolete according to the village attorney of Proctor; subdivision 16 was declared unconstitutional in Arens vs. Village of Rogers, 240 Minn. 386; subdivision 18, applying only to the city of South St. Paul, became obsolete when the city became a city of the second class; subdivision 19 is unnecessary by reason of the fact that under the terms of the

act public corporations may issue only "on-sale" licenses pursuant to section 5, subdivision 9, and under section 11, only a city, village, or borough having a population of not more than 10,000 may operate liquor stores.

Subdivision 15. This carries forward the existing provisions of Minnesota Statutes 1965, section 340.413, as it relates to the sale of intoxicating malt beverages to brewers' employees. 340.413 is being repealed.

Subdivision 16. This subdivision is the text of the last sentence of 340.13, subdivision 1.

Subdivision 17. This is the same as Section 340.11, subdivision 20.

Section 6. This amends section 340.112 so that the license refund provision applies only to an intoxicating liquor license. A similar provision is in the non-intoxicating malt liquor act.

Section 7. This amends section 340.115 so that it applies to only intoxicating malt beverages made outside of the state. A similar provision is in the non-intoxicating malt liquor act.

Section 8. Amends 340.13 so that it relates only to restrictions in licenses which are issued. The part thereof relating to revocation and suspension of licenses has been worked into section 9 relating to suspension and revocation of licenses.

Subdivision 1 is the identical material appearing in 340.13, subdivision 1, relating to the same subject.

Subdivision 2 is the material contained in section 340.13, subdivision 1, embraced in the next to the last sentence. The last sentence of this subdivision is in section 5, subdivision 16, of this bill.

Subdivision 3. This is the exact text of 340.13, subdivision 2, except for the deletion of internal references which are unnecessary.

Subdivision 4. This is a clarification of section 340.13, subdivision 3, the provisions of which are stricken immediately ahead of this subdivision 4. It also recognizes the authority for the issuance of club licenses in places with the municipal liquor stores.

Subdivision 5. This is the same as the first part of the second paragraph of 340.13, subdivision 3. The exception in the first sentence is deleted because food may be served in an "on-sale" liquor establishment with the permission of the municipality by reason of the enactment of the 1963 act previously referred to in the definition in this bill of an exclusive liquor store.

Subdivision 6 contains the text of the second paragraph of 340.13, subdivision 3.

Subdivision 7. This is the text of the third and the second to the last sentences of the second paragraph of 340.13, subdivision 3, except for a change in internal references.

Subdivision 8. This is the substance rewritten of the last sentence of 340.13, subdivision 3.

Subdivision 9. This is the text of the part of the first sentence of section 340.13, subdivision 4.

Subdivision 10. This is the text of a part of the first sentence of section 340.13, subdivision 4.

Subdivision 11. This is the text of the second sentence of section 340.13, subdivision 4.

Subdivision 12. This is the text of that part of section 340.13, subdivision 4, beginning with the third sentence, except for a correction in internal references.

Subdivision 13. This is the text of section 340.13, subdivision 5.

Section 9. This section relating to suspension and revocation of licenses was formerly contained in Section 340.13, subdivision 1, to which reference has previously been made.

Section 10. Section 10, which is an amendment of Minnesota Statutes 1965, section 340.14, is intended to include within its scope all regulations.

Subdivision 1 is the existing text of 340.14, subdivision 1, except the last two sentences. In addition, however, the underlined material in the third line reading "nor until eight a.m. on Monday," corrects an existing void in the law.

Subdivision 2 reenacts the stricken material in the last two sentences of section 340.14, subdivision 1. In addition it makes the licensee responsible for the conduct of his place of business and, in addition, prohibits gambling, prostitution, the employment of persons under 21, and those other things which are contained in section 340.14, subdivision 2, the first paragraph thereof. The substance of the second paragraph all appears in new subdivision 4.

Subdivision 3, relating to places where sales are forbidden, embodies prohibition of section 340.14, subdivision 2, relating

to the state capitol and its grounds, the prohibitions of Minnesota Statutes 1965, section 340.72; the prohibitions and penalties of Minnesota Statutes 1965, section 340.75; the prohibitions of Minnesota Statutes 1965, sections 624.702 and 624.703. The restrictions on the sale of liquor with reference to state institutions under the control, in whole or in part, of the commissioner of public welfare or the commissioner of corrections have been generalized instead of naming the institutions, the names of which change from time to time. To carry out the substance of this subdivision, it will be necessary to repeal Minnesota Statutes 1965, sections 340.72, 340.75, and 624.702. However, section 624.703, which also deals with other subjects, need not be amended.

Subdivision 4. The restriction of sales covered by this subdivision is the existing text of section 340.13, subdivision 2, the second paragraph.

Section 11. This section amends Minnesota Statutes 1965, section 340.353, by setting forth in an individual place specific authority for the establishment of municipal liquor stores.

Subdivision 1 is the substance of what now appears in 340.07, subdivision 5. The last sentence is inserted so as to specifically exclude a corporation operating an airport from establishing a municipal liquor store.

Subdivision 2 is the existing text of section 340.353.

Subdivision 3 is the savings clause.

Subdivision 4 carries out the language of Minnesota Statutes 1965, section 340.118. 340.118 is repealed.

Section 12. This section is a rewrite of Minnesota Statutes, section 340.14, subdivision 3, commonly referred to as the bottle club law. It deals with two things: (1) private clubs where the members are permitted to keep liquor in lockers, and (2) so-called public places which are permitted to serve setups.

The private club has been changed to be designated a bottle club; the public place has been changed to be designated a business establishment which is not in the liquor business. The section requires that both types of establishments obtain permits before serving setups.

The language has been changed to indicate that the kind of club involved is one that does not have a regular liquor license. The language has also been changed to indicate that a liquor establishment desiring to serve setups at times when it does not serve liquor is eligible for a permit.

Section 13. This section includes a list of sections contained in Minnesota Statutes 1965 which are incorporated in the intoxicating liquor act by reference. In the next edition of the statutes, these sections will be renumbered so as to be placed in proper sequence. In order to renumber, it is not necessary that the provisions be reenacted.

Section 14. Section 14 contains a list of provisions of Minnesota Statutes 1965 which are also being incorporated by reference in the intoxicating liquor act, but it does require some changes in internal references. These sections will be renumbered in the next edition of Minnesota Statutes so as to be arranged in proper sequence.

Section 15. This is a reenactment of Minnesota Statutes 1965, section 340.15, which eliminates therefrom the duty of the liquor control commissioner to work with the department of education in preparing courses of instruction upon the effect of alcohol.

Section 16. This is a blanket authority to change references of the existing liquor laws in chapter 340 to "intoxicating liquor act."

Section 17. This is a two year savings clause. The 1958 Home Rule Constitutional Amendment prevents the reenactment in the intoxicating liquor act of certain provisions appearing in Chapter 340 which appear to relate to individual cities or villages and which have been previously referred to. Some of those provisions are no longer necessary. Some do affect certain cities and villages. This savings clause will not affect the rights of these cities for two years, and they will have an opportunity to present special bills in the 1969 legislative session if they wish to. Otherwise, their powers, as conferred by the special acts, will be lost to them.

Section 18. This is the citation of the act.

Section 19. This is the repealer and the following sections are repealed, together with the reasons therefor.

340.111 This section applies only to the city of Hastings, and that city advises that the law is obsolete.

340.116 The text of this section is incorporated in section 5, subdivision 12.

- 340.117 This section authorized licenses to veterans' organizations in certain dry counties having municipal liquor stores. Because there are no longer dry counties, this section is unnecessary, and the authority for doing what is authorized in the repealed section is now contained in the last paragraph of subdivision 11 of section 5 when read in connection with section 8, subdivision 4.
- 340.118 The text of this repealed section now appears in section 11, subdivision 4.
- 340.161 This section authorized the establishment of a municipal liquor store in a city or village located in what was a dry county and is now obsolete.
- 340.36 This section applies to a dry county.
- 340.37 This section applies to a dry county.
- 340.40 This section applies to county option.
- 340.411 This section relates to the sale of food by "on-sale" or combination "on-sale" or "off-sale" liquor licensees and is covered by the intoxicating liquor act.
- 340.412 This section relates to the sale of intoxicating liquors in 128 ounce containers and is now covered by regulation.
- 340.413 This section relates to the sale of intoxicating liquor by a brewer to his employees and is covered by the intoxicating liquor act.
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- 340.72 This is included in section 10, subdivision 3.
- 340.75 This is included in section 10.
- 624.702 This is included in section 10.
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A BILL FOR AN ACT

REGULATING INTOXICATING LIQUORS AND PROVIDING PENALTIES FOR THE VIOLATING OF PROVISIONS THEREOF; AMENDING MINNESOTA STATUTES 1965, CHAPTER 340, BY ADDING SECTIONS THERETO; SECTIONS 340.07, 340.08, 340.09, 340.10, 340.11, 340.112, 340.115, 340.13, 340.14, 340.15, AND 340.353; REPEALING MINNESOTA STATUTES 1965, SECTIONS 340.111, 340.116, 340.117, 340.118, 340.161, 340.36, 340.37, 340.40, 340.411, 340.412, 340.413, 340.72, 340.75, AND 624.702.

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

Section 1. Minnesota Statutes 1965, Section 340.07, is amended to read:

340.07 [DEFINITIONS.] Subdivision 1. For the purposes of the intoxicating liquor act, except where the context otherwise requires, the terms defined in this section shall have the meanings given them.

Subd. 2. ~~The terms~~ "Intoxicating liquor" and "liquor" when ~~used in sections 340.07 to 340.40~~ mean and ~~include~~ ethyl alcohol, and ~~include~~ distilled, fermented, spirituous, vinous, and malt beverages containing in excess of 3.2 percent of alcohol by weight.

Subd. 3. ~~The terms~~ "Sale" and "sell" and "sold" mean and ~~include~~ all barters and all manners or means of furnishing intoxicating liquor ~~or liquors as above described~~ including such furnishing in violation or evasion of law.

Subd. 4. "Off-sale" means the sale of liquor in original packages in retail stores for consumption off or away from the premises where sold.

Subd. 5. "On-sale" means the sale of liquor by the glass for consumption on the premises only.

Subd. 6. ~~The term~~ "wholesale" means ~~and includes~~ any sale for purposes of resale.

Subd. 7. ~~The term~~ "Manufacturer" ~~includes~~ means every person who, by any process of manufacture, fermenting, brewing, distilling, refining, rectifying, blending, or by the combination of different materials, prepares or produces intoxicating liquors for sale.

Subd. 8. ~~The term~~ "Wholesaler" means any person engaged in the business of selling intoxicating liquor to retail dealers.

Subd. 9. ~~The term~~ "Person" includes the meaning extended thereto by section 645.44, subdivision 7.

Subd. 2- 10. ~~The term~~ "Package" or "original package" means ~~and includes~~ any container or receptacle holding liquor, which container or receptacle is corked or sealed.

Subd. 3- 11. ~~The term~~ "Municipality" means any city, village, borough, ~~or~~ public corporation created under Minnesota Statutes, Sections 360.101 to 360.125, inclusive, as to any major airport, as defined by Minnesota Statutes, Section 360.127, operated by any such public corporation where the lands or any part thereof constituting such major airport have been detached from cities and villages under and pursuant to Minnesota Statutes, Sections 360.126 to 360.132, inclusive, or a county which is specifically authorized by law to issue an on-sale license.

Subd. 4- 12. "Hotel" means ~~and includes~~ any establishment having a resident proprietor or manager, where, in consideration

of payment therefor, food and lodging are regularly furnished to transients, which maintains for the use of its guests in cities of the first class, not less than 50 guest rooms, in cities of the second class, not less than 25 guest rooms, in all other cities, villages and boroughs, not less than ten guest rooms with bedding and other usual suitable and necessary furnishings in each room, which is provided at the main entrance with a suitable lobby, desk, and office for the registration of its guests on the ground floor, which employs an adequate staff to provide suitable and usual service, and which maintains under the same management and control as the rest of the establishment and has, as an integral part thereof, a dining room with appropriate facilities for seating not less than 30 guests at one time, where the general public are, in consideration of payment therefor, served with meals at tables.

~~Subd. 5. -- "Exclusive-liquor-store" is an establishment used exclusively for the sale of intoxicating liquor, cigars, cigarettes, ice, all forms of tobacco, non-intoxicating malt beverages and soft drinks at retail, either on sale or off sale, or both; provided that lunches may be sold in a liquor store located in a village containing less than 500 inhabitants and situated in any county having a population according to the last federal census of not less than 40,000, nor more than 50,000, and having not less than 24, nor more than 25, full and fractional townships. -- It shall be under control of an individual owner or manager and, if located in municipalities other than cities of~~

~~the first, second, and third class, it may be owned and operated by the municipality as the governing body thereof shall direct.~~

Subd. 13. "Exclusive liquor store" is an on-sale or off-sale, or combination on-sale and off-sale, establishment used exclusively for the sale of intoxicating liquor at retail and under the control of an individual owner or manager and as an incident thereof may also sell cigars, cigarettes, ice, all forms of tobacco, non-intoxicating malt beverages, and soft drinks at retail. An exclusive liquor store includes an on-sale or combination on-sale restaurant or to sell food for consumption on the premises when authorized by the municipality issuing the license.

Subd. 6- 14. "Restaurant" means any establishment, other than a hotel, under the control of a single proprietor or manager, having appropriate facilities for the serving of meals, and, ~~in cities of the first class, for seating not less than 50 guests at one time, and, in cities of the second and third class and villages of over 10,000 population and in such cities and villages having over 5,000, and not more than 10,000 population, where "on-sale" is provided in restaurants in lieu of the establishment of exclusive liquor stores, for seating such number of guests, not less than 30, as the governing body of such municipality shall determine, and where, in consideration of payment therefor, meals are regularly served at tables to the general public, and which employs an adequate staff to provide the usual and suitable service to its guests, and the principal part of the business of which is the serving of foods.~~ In cities of the first class

such establishment shall have facilities for seating not less than 50 guests at one time; in cities of the second and third class and villages of over 10,000 population, such establishment shall have facilities for seating not less than 30 guests at one time, or such greater number as the municipality may determine; and in cities of the fourth class and villages of 10,000 population or less, in such manner as the municipality shall determine.

Subd. 7- 15. ~~The term~~ "Club" means ~~and includes~~ any corporation duly organized under the laws of the state for civic, fraternal, social, or business purposes or for intellectual improvement, or for the promotion of sports, or a congressionally chartered veterans' organization, which shall have more than 50 members, and which shall, for more than a year, have owned, hired, or leased a building or space in a building of such extent and character as may be suitable and adequate for the reasonable and comfortable accommodation of its members, and whose affairs and management are conducted by a board of directors, executive committee, or other similar body chosen by the members at a meeting held for that purpose, none of whose members, officers, agents, or employees are paid directly or indirectly any compensation by way of profit from the distribution or sale of beverages to the members of the club, or to its guests, beyond the amount of such reasonable salary or wages as may be fixed and voted each year by the directors or other governing body.

Subd. 8- 16. ~~The term~~ "Medicines" means ~~and includes~~ only such potable liquids as are prescribed by licensed physicians and

dentists for therapeutic purposes, and United States pharmacopeia and national formulary preparations, and preparations used for the mitigation of disease for external and internal purposes which are usually sold in drug stores and intended for therapeutic purposes and not for beverage purposes.

Subd. 9- 17. ~~The term~~ "General food stores" means any place of business carrying a stock of food supplies and primarily engaged in selling food and grocery supplies to the public.

Sec. 2. Minnesota Statutes 1965, Section 340.08, is amended to read:

340.08 [LIQUOR CONTROL COMMISSIONER.] Subdivision 1. The office of liquor control commissioner is hereby established, and the liquor control commissioner shall be appointed by the governor, by and with the consent and advice of the senate, whese for a term of ~~office-shall-be~~ four years from and after January first in the year in which such appointment is made. He shall be a citizen of this state and a resident thereof for not less than five years preceding his appointment and shall have no direct or indirect financial interest in the manufacture, transportation, or sale of intoxicating liquor or any malt or vinous beverages, intoxicating or non-intoxicating, or commercial or industrial alcohol.

Subd. 2. The liquor control commissioner may be removed for cause by the governor, after hearing thereon, and it shall be the duty of the governor to remove him for any violation of ~~sections-340-07-to-340-46~~ the intoxicating liquor act. A record of the charges, proceedings, and findings thereon shall be filed in the office of the governor.

Subd. 4- 3. He shall give a bond, with corporate surety, to the state in the sum of \$50,000, and the employees of the liquor control commissioner shall give bond to the state as may be required by him. The form of all ~~such~~ bonds ~~of the employees~~ shall be prescribed by the ~~liquor control commissioner~~ attorney general.

Sec. 3. Minnesota Statutes 1965, Section 340.09, is amended to read:

340.09 [LIQUOR CONTROL COMMISSIONER; POWERS.] The principal office of the liquor control commissioner shall be in the city of Saint Paul. He may appoint a secretary and such inspectors, clerks, and other assistants as he may require. All employees of the commissioner shall be in the classified service. He shall set up an adequate system for the administration of Minnesota ~~Statutes 1941, Sections 340.07 to 340.96~~ the provisions of Minnesota Statutes, Chapter 340, and have supervision over and power to regulate all forms of advertising and display of liquors. The commissioner shall have power to make all reasonable regulations to effect the object of ~~sections 340.07 to 340.96~~ such chapter and to fix maximum prices from time to time on all liquors sold at wholesale. Such regulations shall include provisions for assuring the purity of intoxicating liquors and the true statement of its contents and proper labeling thereof with regard to all forms of sale.

Sec. 4. Minnesota Statutes 1965, Section 340.10, is amended to read:

340.10 [PUBLISHING REGULATIONS.] All regulations made by the liquor control commissioner shall be printed in full book form in one issue of a legal newspaper published in the city of Saint Paul. Such regulations shall be effective otherwise comply with the administrative procedure act as contained in Minnesota Statutes, Chapter 15 five days after such publication, provided that regulations made within 30 days from January 6, 1934, shall be effective immediately upon publication. He shall annually, and at such other intervals as he deems expedient, publish in convenient form all regulations in force and furnish copies thereof to such persons as he deems advisable.

Sec. 5. Minnesota Statutes 1965, Section 340.11, is amended to read:

340.11 [LICENSES.] Subdivision 1. [PROHIBITIONS.] It shall be unlawful for any person, directly or indirectly, upon any pretense or by any device, to manufacture, import, sell, exchange, barter, dispose of, or keep for sale any intoxicating liquor without first having obtained a license therefor, as herein provided. Sales, however, may be made without a license, as provided in section 340.413 authorized by subdivision 15. Nothing herein shall prohibit the natural fermentation of fruit juices in the home for family use.

Subd. 2. [WHOLESALERS' AND MANUFACTURERS' LICENSES.]  
Manufacturers' and wholesalers' licenses shall be issued by the liquor control commissioner.

All manufacturers' and wholesalers' licenses A manufacturer's or wholesaler's license shall include the right to import and

~~shall-be-granted-by-the-liquor-control-commissioner.~~ The business of manufacturer and wholesaler may be combined and carried on under one license issued therefor. No wholesaler's license shall be granted to any person or partnership unless the person or each member of a partnership applying for such license shall have been a resident ~~or-residents~~ of the state for a period of five years continuously immediately prior to such application for a license, and that such ~~persons~~ person shall have voted at least twice during said period of five years at a general state election if two general state elections have been had since such person reached his majority. No wholesaler's license shall be granted to any corporation unless all of the officers, directors, and stockholders, who own or control more than 75 percent of the stock by value and 75 percent of the voting rights of the stock, of such corporation applying for a license shall have been residents of the state for a period of five years continuously immediately prior to such application for a license and any and all such persons shall have voted at least twice during said period of five years at a general state election if two general state elections have been had since such person reached his majority. ~~Persons, partnerships, or corporations~~ A person, partnership, or corporation lawfully licensed as ~~wholesalers~~ a wholesaler in the state of Minnesota March 27, 1945, shall not be subject to any residence or voting requirements to renew ~~their~~ his wholesaler's license, nor shall ~~their-successors~~ his successor or assigns who acquire substantially all of the property of such

licensees licensee. ~~Persons now serving in the Armed Forces of the United States of America or~~ A person who have served in the Armed Forces of the United States of America during any time since July 1, 1942, shall be given credit as having voted at any general election held during the time ~~they serve~~ he served in the Armed Forces of the United States of America. ~~All licenses for retail "off-sale" shall be granted by the local governing body, subject to the approval of the liquor control commissioner, and shall not become effective until so approved.~~

~~Subd. 2. -- The liquor control commissioner may issue a license or permit to any railroad company, dining-car company, or sleeping-car company, water transportation company, or other common carrier operating in this state, to sell intoxicating liquors referred to in this chapter upon any vessel, dining-car, buffet, observation, or cafe-car where meals or lunches are served. -- Each such company applying for such license shall pay to the liquor control commissioner a fee of \$50 per annum. -- A duplicate of such license shall be posted in each car and for each duplicate of such license a fee of \$5 shall be paid. -- Such license shall cover and permit the sale of such intoxicating liquor in the state, or any political subdivision thereof, in any vessel, dining-car, buffet, observation, or cafe-car which is a part of a train or which is about to become a part of a train then being operated or to be operated in this state. -- Such liquor to be sold only to bona fide passengers or persons actually being transported.~~

Subd. 3. [COMMON CARRIER LICENSES.] The liquor control commissioner may license a person certificated by either the state of Minnesota or the United States of America, or an agency thereof, as a common carrier engaged in the business of transporting persons for hire in interstate or intrastate commerce to sell intoxicating liquor, but no such license shall be issued unless such common carrier serves meals or lunches in the place where such intoxicating liquor is to be sold. A person applying for such a license shall pay the liquor control commissioner a fee of \$50 per annum. The expiration date of each license issued shall be determined by the liquor control commissioner. A duplicate of each license shall be posted in each place where intoxicating liquor is sold by such person and shall be obtained from the liquor control commissioner upon the payment of a \$5 fee for each duplicate. A licensee under this provision may serve intoxicating liquor only to a bona fide passenger thereof who is actually being transported in interstate or intrastate commerce.

Subd. 3- 4. [OFF-SALE LICENSES.] "Off-sale" licenses issued by any municipality shall not be effective until approved, together with the bond, by the liquor control commissioner, but no fee shall be payable to such commissioner for such approval.

Subd. 4- 5. [ON-SALE LICENSES.] All "On-sale" licenses shall be granted and the annual license fee therefor shall be fixed in advance at a specified sum for the year by the respective ~~local-governing-bodies-of-the-various~~ municipalities of the

~~state authorized to issue licenses, and such governing bodies shall have the right to~~ each municipality may revoke ~~licenses~~ a license issued by them it for cause. ~~The governing body of any~~ A municipality issuing ~~an "on-sale" licenses license~~ shall within ten days after such issuance submit to the liquor control commissioner the full name and address of each person granted ~~such a license, and other information shall include, including~~ the trade name, the effective license date, the date of expiration and any change of address, transfer, cancellation or the revocation of such license by the governing body municipality during the license period. No "on-sale" ~~licenses license~~ shall be issued contrary to any of the provisions of ~~sections 340-07 to 340-40~~ the intoxicating liquor act.

Subd. 5- 6. [ON-SALE; FIRST AND SECOND CLASS CITIES.]  
~~Not more than~~ One "on-sale" license shall may be issued in any city of the first class for every 1,500 inhabitants; provided, ~~however, that notwithstanding this limitation, any city of the first class in which licenses have heretofore been issued upon an estimated population computed upon the increase in population in said city between the federal census of 1920 and the federal census of 1930, or where the 1940 federal census shows a decrease from the 1930 census and as a result thereof "on-sale" licenses have been issued in excess of one for every 1,500 inhabitants as determined by the federal census of 1940, said city of the first class may continue to issue the number of "on-sale" licenses which said city issued in the year 1940.~~ not more than 200 "on-sale" licenses shall be issued in any city of the first

class. Not more than 15 "on-sale" licenses shall be issued in any city of the second class.

~~Subd. 6. -- "On-sale" licenses may be issued, except in cities of the first class, in addition to the limitations, as herein provided, to bona-fide clubs in existence for 20 years and to bona-fide clubs of congressionally chartered veterans organizations, which clubs have been in existence for ten years prior to January 1, 1961. -- All such clubs shall be duly incorporated to be eligible to apply for a license. -- Licenses issued shall be for the sale of intoxicating liquors to members only. -- The license fee shall be \$100.~~

Subd. 7. [ON-SALE; THIRD AND FOURTH CLASS, CITIES; VILLAGES AND BOROUGHES.] Not more than ten "on-sale" licenses shall be issued in any city of the third class. Not more than five "on-sale" licenses shall be issued in any city of the fourth class, or borough. Not more than ten "on-sale" licenses shall be issued in any village of over 10,000 population. Not more than five "on-sale" licenses shall be issued in any village of 5,000 to 10,000 population. Not more than four "on-sale" licenses shall be issued in any village of 2,500 to 5,000 population. Not more than three "on-sale" licenses shall be issued in any village of 500 to 2,500 population. Not more than two "on-sale" licenses shall be issued in any village of less than 500 population. In ~~cities of the fourth class containing a population of more than 5,000 situated in counties containing not less than 20,000, nor more than 25,000 inhabitants according to the 1930 federal census, and containing not less than 20, nor more than 21, full and fractional congressional townships, ten "on-sale" licenses may~~

be issued. -- In any city of the fourth class operating under a home-rule charter, having a population exceeding 4,000, and not more than 4,500, according to the 1940 federal census, located in a county containing not less than 12 nor more than 13 townships, there may be issued in addition to the five "on-sale" licenses herein provided for, only one "on-sale" license to an hotel which operates a dining room serving meals regularly and which contains not less than 40 sleeping rooms. -- In any city having a population of more than 18,000 and less than 19,000, located in a county having more than 38,000 and less than 39,000 inhabitants according to the 1950 federal census, and not less than 23 full or fractional congressional townships, the governing body of the city may issue, in addition to the ten "on-sale" liquor licenses herein provided, one "on-sale" liquor license to a hotel, which contains not less than 150 guest rooms and operates a dining room serving meals regularly.

In any city having a population of more than 7,000 and less than 8,000 located in a county having more than 34,000 and less than 35,000 inhabitants according to the 1950 federal census and having not less than 19 full or fractional congressional townships, the governing authority of such city may issue in addition to the five "on-sale" licenses herein provided for, only one "on-sale" license to a hotel which operates a dining room serving meals regularly and which contains not less than 40 guest rooms.

Subd. 8. [ADDITIONAL ON-SALE LICENSES; CERTAIN COUNTIES.]

In counties having an area of more than 5,000 square miles, if

the liquor control commissioner also approves, the governing body in cities of the third class may grant 15 such "on-sale" licenses and in cities of the fourth class may issue nine such "on-sale" licenses and in villages having a population of more than 2,500, and less than 5,000, six such "on-sale" licenses.

Subd. 9. [ON-SALE LICENSES; CERTAIN AIRPORTS.] An on-sale license may be issued for the sale of intoxicating liquors in hotels, restaurants, and establishments for the sale of on-sale liquors in major airports operated by public corporations created under Minnesota Statutes, Sections 360.101 to 360.125, which are operated by such public corporations as terminals for regular, scheduled air passenger service where the lands or any part thereof constituting the same have been detached from cities and villages under and pursuant to Minnesota Statutes, Sections 360.126 to 360.132.

Subd. 10. [ON-SALE LICENSES; CERTAIN COUNTIES.] On-sale licenses may be issued for the sale of intoxicating liquors by a county when a county is specifically authorized by law so to do and under such terms and conditions as such specific law may prescribe.

Subd. ~~10~~ 11. [ON-SALE LICENSES, INCLUDING HOTELS, CLUBS, RESTAURANTS, AND ON-SALE EXCLUSIVE LIQUOR STORES.] "On-sale" licenses may be issued by municipalities for the sale of intoxicating liquors in hotels, clubs, restaurants and establishments for the sale of "on-sale" liquors exclusively within the number authorized by this section in cities of the

first, second, and third class and villages of over 10,000 inhabitants, in cities of the fourth class where such cities have a population in excess of 3,000 persons and are adjacent to cities of the third class, and in major airports operated by public corporations created under Minnesota Statutes, Sections 360.121 to 360.125, which are operated by such public corporation or persons for regular, scheduled air passenger service where the lands or any thereof constituting the same have been detached from cities and villages under and pursuant to Minnesota Statutes, Sections 360.126 to 360.132. -- Such licenses may be issued in cities of the fourth class, and other villages and boroughs for such sale of intoxicating liquor in hotels, clubs or exclusive liquor stores, which exclusive liquor stores the governing body of such municipalities may establish or permit to be established for dispensation of liquor either "on-sale" or "off-sale," or both. In cities and villages having over 5,000, and not more than 10,000 population the municipality may license "on-sale" in restaurants in lieu of the establishment of exclusive liquor stores. Except in a city of the first class and in addition to the number of licenses authorized by this section, an "on-sale" license may be issued to a bona fide club which has been in existence for 20 years or more or to a congressionally chartered veterans' organization which has been in existence for 10 years prior to January 1, 1961. Such a club or veterans' organization shall be incorporated in order to be eligible to apply for a license, and the license issued shall be for the sale of intoxicating

liquors to members only. The license fee for such an "on-sale" license is \$100.

Subd. 11. -- In cities of the first class not more than one "off-sale" license shall be granted for every 5,000 inhabitants in any such city. -- Notwithstanding this limitation, any city of the first class in which "off-sale" licenses have heretofore been issued upon an estimated population computed on the increase in population in said city between the Federal census of 1920 and the Federal census of 1930, or where the 1940 Federal census shows a decrease from the 1930 census and as a result of such computation "off-sale" licenses have been issued in excess of one for every 5,000 inhabitants as determined by the Federal census of 1940, said city of the first class may continue to issue the number of "off-sale" licenses which said city issued for 1940. -- In such cities, such licenses shall be issued only to proprietors of drug stores, general food stores, and exclusive liquor stores. -- In all other cities, villages and boroughs the number of "off-sale" licenses to be issued therein shall be determined by the local governing body. -- In all cities, villages and boroughs other than cities of the first class "off-sale" licenses shall be issued only to the proprietors of drug stores and exclusive liquor stores. -- In the event cities of the fourth class, villages, and boroughs, whose population was less than 10,000 inhabitants prior to 1950, increase in population according to the official Federal Census for 1950 beyond 10,000 inhabitants, such municipalities may nevertheless continue to issue "off-sale"

~~and "On-sale" licenses in combinations authorized prior to such  
increase in population. In any city, village, or borough of  
less than 1,000 population "Off-sale" licenses may be issued to  
"On-sale" licensees.~~

Subd. 12. [ON-SALE-OFF-SALE AND COMBINATION ON-SALE AND  
OFF-SALE LICENSES.] A city of the fourth class, a village of  
10,000 inhabitants or less, or a borough may issue an "on-sale"  
license and an "off-sale" license to the same licensee or, in  
lieu of issuing an "off-sale" and an "on-sale" license separately  
to such licensee, may issue a combination "off-sale" and "on-sale"  
license. Whenever the population of a city of the fourth class,  
a village, or a borough is reported by a federal census to have  
increased in population to more than 10,000 inhabitants, such  
city, village, or borough may continue to issue an "off-sale"  
license to an "on-sale" licensee or a combination license in  
lieu of a separate "off-sale" license and a separate "on-sale"  
license in the same manner as it issued the same prior to such  
increase in population.

Subd. 13. [OFF-SALE LICENSES; NUMBER] "Off-sale" licenses  
may be granted in accordance with the following:

(1) In cities of the first class not more than one "off-sale"  
license for each 5,000 inhabitants thereof; such a license may  
be issued only to the proprietor of a drug store, or a general  
food store, or an exclusive liquor store.

(2) In all cities other than cities of the first class  
and in villages and boroughs, the number of "off-sale" licenses

to be issued shall be determined by the governing body thereof.  
In such cities, villages, and boroughs, an "off-sale" license  
shall be issued only to a proprietor of a drug store or an  
exclusive liquor store except as otherwise provided in this  
section.

Subd. ~~12-~~ 14. [LICENSE FEES.] The license fees to be paid before the issuance of licenses shall be as provided in clauses (a), (b), (c), (d).

(a) Except as provided in clauses (b), (c), and (d), any manufacturer shall pay to the state annually a license fee of \$3,000, and a fee of \$2,500 for each duplicate thereof.

(b) Any manufacturer of wines containing not more than 25 percent of alcohol by volume shall pay to the state annually a fee of \$300.

(c) Except as provided in clauses ~~(g), (h), (i), (j)~~ (a), (b), (d), any wholesaler shall pay to the state annually a license fee of \$3,000, and a fee of \$2,500 for each duplicate thereof.

(d) Any wholesaler of wines containing not more than 25 percent of alcohol by volume shall pay to the state annually a fee of \$300.

(e) The maximum license fee for an "off-sale" license in the cities of the first class shall be the sum of which, together with any occupation tax that may be imposed by a municipality issuing said "off-sale" license, will not exceed the sum of \$1,000 annually; in all cities and villages of over 10,000 population, except cities of the first class, the maximum license

fee for an "off-sale" license shall be \$200; in all cities and villages with a population between 5,000 and 10,000 the maximum license fee shall be \$150; in all cities, villages and boroughs of 5,000 population or less, the maximum license fee shall be \$100. All such license fees for "off sale" licenses shall be payable to the municipalities issuing the license. Where such licenses shall be issued for less than one year, a fee may be a pro rata share of the annual license fee.

~~Subd. 13. -- In any city or village which has established a municipal "off-sale" liquor store since January 1, 1940, any duly organized club which prior to January 1, 1940, held a club license, either under this section or pursuant to Laws 1939, Chapter 154, shall be entitled to a new "on-sale" license, notwithstanding the provisions herein contained.~~

~~Subd. 16. -- No municipality shall engage in the sale of intoxicating liquors to the exclusion of private interests without first purchasing the stock, equipment and other tangible personal property of such private liquor establishments and reimbursing the private owner or owners for the property thereby divested or rendered unproductive therein by the act of such municipality in the creation of said municipal liquor store; provided, that this subdivision shall not alter the act of any municipality in the past nor shall the same be retroactive as to property rights heretofore divested or rendered unproductive by any act of any municipality in the creation of a municipal liquor store prior to April 29, 1945. -- In the event that no~~

agreement can be reached between said interested parties as to the value of the stock, equipment, and tangible personal property affected by said act of such municipality or other governing body; then, and in that event, the same shall be submitted to arbitration in accordance with the provisions of Minnesota Statutes 1941, Chapter 572.

Subd. 18. -- In any city of the third class, adjacent to a city of the first class in a different county, operating under a home rule charter and having a population exceeding 15,500 and less than 16,000 according to the 1950 federal census there may be issued in addition to the ten "On-Sale" licenses authorized by law, only one "On-Sale" license to a hotel or motor hotel which operates a dining room serving meals regularly and which contains not less than sixty sleeping rooms; provided that in the event any such third class city becomes a second class city after the 1960 federal census the governing body of such second class city shall issue such a hotel or motor hotel license as one of the regular "On-Sale" licenses.

Subd. 19. -- No public corporation referred to in section 340.07, subdivision 3, shall itself engage in the sale or in the business of selling intoxicating liquors either "on-sale" or "off-sale" at any major airport being operated by it. -- Its power as to the sale of intoxicating liquors at such airports shall be limited to the issuance of licenses to others for "on-sale" of intoxicating liquors at such airports.

Subd. 15. [LICENSES NOT REQUIRED.] It is lawful for a brewer to sell intoxicating malt beverages to his employee or

to a former employee who is retired because of age or physical disability. Such beverages shall be sold for consumption off the premises only, and the amount sold to any one person in any one week shall not exceed 768 fluid ounces. The requirements of law relating to minimum prices for the sale of intoxicating malt beverages shall not apply to sales made under this subdivision, nor shall any license be required for the making of such sales.

Subd. 16. [EXPIRATION DATE.] All intoxicating liquor licenses issued by a municipality, except manufacturers' and wholesalers' licenses, shall expire on the same date.

Subd. ~~20-~~ 17. [MUNICIPAL RESTRICTIONS.] Any local authority shall have power to impose further restrictions and regulations upon the sale and possession of intoxicating liquor within its limits.

Sec. 6. Minnesota Statutes 1965, Section 340.112, is amended to read:

340.112 [LICENSE FEE; REFUNDMENT.] In case during the term of any "off-sale" or "on-sale" ~~non-intoxicating-malt,~~-~~or~~ intoxicating, liquor license, the place of business of any licensee shall be destroyed or so damaged by fire, or otherwise, that the licensee shall cease to carry on the licensed business, or in case the business of the licensee shall cease by reason of his illness or death or if it shall become unlawful for the licensee to carry on the licensed business under his license, except when such license is revoked, the licensing authority may upon the happening of any such event refund to the licensee

or to his estate such part of the license fee paid by him as corresponds to the time such license had yet to run. In case of the death of any licensee of any "off-sale" or "on-sale" ~~non-intoxicating-malt-or~~ intoxicating liquor, his personal representative is hereby authorized to continue operation of said business for not more than 90 days after the death of such licensee. This section shall apply to licenses issued after January 1, 1944.

Sec. 7. Minnesota Statutes 1965, Section 340.115, is amended to read:

340.115 [INTOXICATING MALT BEVERAGES MADE OUTSIDE STATE; SHIPMENT INTO STATE.] All intoxicating malt beverages, ~~regardless of-alcoholic-contents;~~ manufactured outside the state of Minnesota, may be shipped into this state for sale only to licensed Minnesota wholesalers and shall be unloaded into such wholesaler's warehouse in Minnesota and said licensed wholesaler shall distribute said intoxicating malt beverages from such warehouse. Provided that the requirements of this section as to warehousing shall not apply to a wholesaler located in any adjoining state which permits Minnesota wholesale licensees to deliver intoxicating malt beverages to retailers without warehousing in that state.

Sec. 8. Minnesota Statutes 1965, Section 340.13, is amended to read:

340.13 [LICENSES; RESTRICTIONS.] Subdivision 1.  
[MANUFACTURERS' OR WHOLESALERS' INTEREST IN RETAIL ESTABLISHMENT.]  
~~The-authority-issuing-any-license-under-the-provisions-of-sections~~

§ 340.96 may revoke the license for violation of any provision of any statute or ordinance relating to the sale of intoxicating liquors, or may suspend the license if revocation is not mandatory. The licensee shall be granted a hearing upon at least ten days notice before revocation or suspension is ordered by such governing body in all cases where mandatory revocation is not provided by law. "Off-sale" licenses may be revoked or suspended by the governing body of the municipality as above provided or by the liquor control commissioner after hearing. No suspension shall exceed 60 days. No manufacturer or wholesaler shall either directly or indirectly own or control or have any financial interest in any retail business selling intoxicating liquor, but this restriction shall not be construed to deny such person the right to use or have his property rented for such purposes in any case where the manufacturer or wholesaler was a bona fide owner of the premises prior to November 1, 1933. No manufacturer or wholesaler shall exact or require, by contract, understanding, or otherwise any licensed retailer to handle or sell only the products of any particular manufacturer or wholesaler.

Subd. 2. [LICENSES IN DRUG STORES.] No license shall be granted to any person who ~~opens~~ operates a new drug store after January 6, 1934, until such person shall have operated such store continuously for a period of two years, or shall have purchased a drug store that shall have been in continuous operation for two years or more. All licenses issued for any one municipality, except manufacturer's and wholesaler's licenses, shall expire at the same time.

Subd. 2- 3. [LIMITATIONS ON A LICENSE ISSUED TO A PERSON OR PLACE; PENALTY.] No more than one ~~retailer's~~ intoxicating liquor license shall be directly or indirectly issued to any one person or for any one place in each municipality. It is a gross misdemeanor for any person, partnership, or corporation to knowingly have or possess a direct or indirect interest in more than one ~~retail~~ license in each municipality and upon conviction therefor the governing body of such municipality may immediately revoke all licenses in which such person, partnership or corporation has an interest. The term "interest" includes any pecuniary interest in the ownership, operation, management, or profits of a retail liquor establishment, but does not include: bona fide loans; bona fide rental agreements; bona fide open accounts or other obligations held with or without security arising out of the ordinary and regular course of business of selling or leasing merchandise, fixtures or supplies to such establishment; an interest in a corporation owning or operating a hotel as ~~defined in section 340-67~~ but having at least 250 or more rental units holding a liquor license in conjunction therewith; or 10 percent or less interest in any other corporation holding a license. A person who receives monies from time to time directly or indirectly from a licensee, in the absence of a bona fide consideration therefor and excluding bona fide gifts or donations, shall be deemed to have a pecuniary interest in such retail license. In determining "bona fides" the reasonable value of the goods or things received as consideration for any payment by the licensee and all other facts reasonably tending to prove or disprove the existence of any purposeful scheme or arrangement to evade the prohibitions of this subdivision shall be considered.

~~Subd. 3. No retailer's "on-sale" or retailer's "off-sale" license shall be directly or indirectly issued with respect to any place in any municipality maintaining an exclusive liquor store, nor to any person or for any place for which a license of another class has been granted.~~

Subd. 4. [LICENSES PROHIBITED IN MUNICIPALITIES HAVING MUNICIPAL STORES AND LIMITED TO RETAILERS.] Except in the case of bona fide clubs and veterans' organizations, as authorized by the last paragraph of section 5, subdivision 11, no "on-sale" or "off-sale" license shall be directly or indirectly issued in any city, village, or borough maintaining its own exclusive liquor store, nor shall such license be issued to a person who holds a manufacturer's or wholesaler's license issued pursuant to any provision of Minnesota Statutes, Chapter 340.

Subd. 5. [LICENSES LIMITED TO CERTAIN AREAS.] No "on-sale" or "off-sale" license shall be effective beyond the compact and contiguous space named therein for which the same was granted, except that an "on-sale" license granted for sales in the dining room of any hotel in any city of the first, second, or third class, or in any village of over 10,000 inhabitants may permit sales of liquor with meals in additional dining rooms open to the public and specified in the license where meals are regularly served to guests therein.

Subd. 6. [LICENSES PROHIBITED IN CERTAIN AREAS.] No license shall be issued for premises located within the areas restricted against commercial use through zoning ordinances or other proceedings or legal processes regularly had for that purpose,

except that licenses may be issued for sale in restaurants in premises which have been restricted against commercial uses since the establishment of such restaurants therein; and no license shall be issued contrary to the provisions of any charter, ordinance, or any special law restricting areas within which intoxicating liquor may be sold. No license shall be issued for premises or places in which the sale or use thereof has been prohibited by ~~sections-340-72-to-340-90~~ the intoxicating liquor act.

Subd. 7. [LICENSES IN CONNECTION WITH PREMISES OF ANOTHER.]

No license shall be issued to any person in connection with the premises of another to whom no license could be issued under the provisions of ~~sections-340-07-to-340-40~~ the intoxicating liquor act ~~except as otherwise provided therein~~; provided, that this provision shall not prevent the granting of a license to a proper lessee by reason of the fact that he shall lease premises of a minor, non-citizen, or a person who has been convicted of a crime other than a violation of ~~sections-340-07-to-340-40~~ the intoxicating liquor act. No more than one license shall be issued to any person in any municipality except as otherwise specifically provided ~~in sections-340-07-to-340-40~~ for in the intoxicating liquor act. ~~No "off-sale" license shall be issued for any place where nonintoxicating malt beverages shall be sold for consumption on the premises, except that in cities of the fourth class and villages where the applicant for such "off-sale" license shall also have for such place a legally issued "on-sale" intoxicating liquor license.~~

Subd. 8. [OFF-SALE LICENSES WHERE NON-INTOXICATING MALT BEVERAGES ARE SOLD.] No "off-sale" license shall be issued for any place where non-intoxicating malt beverages shall be sold for consumption on the premises. This subdivision shall not apply to those places where an "on-sale" and "off-sale" license or combination "off-sale" and "on-sale" licenses are specifically authorized by the intoxicating liquor act.

Subd. 4- 9. [LICENSES TRANSFERABLE.] A license shall be nontransferable without the consent of the authority issuing it.  
and

Subd. 10. [LICENSE POSTING.] A license shall be posted in a conspicuous place in the premises for which it is issued.

Subd. 11. [FEDERAL PERMITS AS A CONDITION TO LICENSE.] No license shall be effective until a permit shall be issued to the licensee under the laws of the United States, if such a permit be required under such laws.

Subd. 12. [LICENSES; PERSONS ELIGIBLE.] No license shall be issued to other than a citizen of the United States over 21 years of age who shall be of good moral character and repute, nor to any person who within five years prior to the application of such license has been convicted of any wilful violation of any law of the United States or the state of Minnesota or of any local ordinance with regard to the manufacture, sale, distribution, or possession for sale or distribution of intoxicating liquor, nor to any person whose license under sections-340-07 ~~ss-340-40~~ the intoxicating liquor act shall be revoked for any wilful violation of any such laws or ordinances.

Subd. 5+ 13. [LICENSES; LEGISLATIVE POLICY.] The legislature expressly reserves the right to limit or diminish the number of licenses, to limit the profits of any authorized manufacturer, wholesaler, or retailer as a condition to granting or continuing a license, and to regulate, limit, or prohibit the issuance or sale of capital stock in any licensee as a condition to granting a license.

Sec. 9. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[340.135] [LICENSES; REVOCATION; SUSPENSION.] The authority issuing any license under the intoxicating liquor act may revoke the license for violation of any statute or ordinance relating to the sale of intoxicating liquor, or may suspend the license if revocation is not mandatory. The licensee shall be granted a hearing upon at least 10 days notice before revocation or suspension is ordered by such governing body where mandatory revocation is not provided by law. "Off-sale" licenses may be revoked or suspended by the governing body of the municipality as above provided or by the liquor control commissioner after hearing. No suspension shall exceed 60 days.

Sec. 10. Minnesota Statutes 1965, Section 340.14, is amended to read:

340.14 [REGULATIONS.] Subdivision 1. [HOURS AND DAYS OF SALE.] No sale of intoxicating liquor shall be made after one a.m. on Sunday, nor until eight a.m. on Monday, nor between the hours of one a.m. and three o'clock p.m. on any Memorial Day,

nor between the hours of one a.m. and eight o'clock p.m. on any Election Day in the district in which such election shall be held except that the governing body of any municipality may allow such sale in such municipality during such hours while only a town election is being held in such municipality. No "on-sale" shall be made between the hours of one a.m. and eight o'clock a.m. on any weekday. No "off-sale" shall be made before eight o'clock a.m. or after ten o'clock p.m. of any day. However, in cities of the first class and in all cities, villages, and boroughs located within a radius of 15 miles of cities of the first class, "off-sale" may be made only until eight o'clock p.m. of any day except Saturday, on which day "off-sale" may be made until ten o'clock p.m. No "off-sale" shall be made on New Years day, January 1; Memorial Day, May 30; Independence Day, July 4; Thanksgiving Day; or Christmas Day, December 25; but on the evenings preceding such days, if the sale of liquor is not otherwise prohibited on such evenings, "off-sales" may be made until ten o'clock p.m., except that no "off-sale" shall be made on December 24 after eight o'clock p.m. It shall be beyond the power of any municipality of this state to authorize or permit the sale of intoxicating liquors when such sale is prohibited by this section, however, any municipality may further limit the hours of sale of intoxicating liquors, provided that such further restricted hours for "on-sale" shall apply to both intoxicating liquors and non-intoxicating malt liquors. ~~No "on-sale" place of business shall be permitted to have swinging doors or opaque windows. All sales shall be made in full view of the public. No~~

intoxicating liquor shall be sold, furnished, or delivered for any purpose to any person under the age of 21 years or to a habitual drunkard or to any person obviously intoxicated or to any of the persons to whom sale is prohibited by statute or by reason of sale to whom a penalty is provided by statute, nor shall any person under 21 years of age receive delivery of such liquor.

Sec'd. 2. -- No intoxicating liquors shall be sold within the capital or upon the grounds thereof, or upon the state fair grounds, or in any place where such sales shall be prohibited by law or by the ordinance of any city, village, or borough. -- Every licensee shall be responsible for the character of his place of business and for conditions of sobriety and order therein. -- No licensee shall keep, possess, or operate, or permit the keeping, possession, or operation of, on the licensed premises, or in any room adjoining the licensed premises, any slot machine, dice, or any gambling device or apparatus, nor permit any gambling therein, nor permit the licensed premises or any room in the same or in any adjoining building, directly or indirectly under its control, to be used as a resort for prostitutes or other disorderly persons. -- No person under 21 years of age shall be employed in any rooms constituting the place in which intoxicating liquors are sold at retail "on sale." No pool table or billiard table shall be kept or used in any "on sale" premises except a club.

The retail sale for beverage purposes of ethyl alcohol or neutral spirits, or substitutes therefor, possessing the taste,

anyway, and characteristics generally attributed to ethyl alcohol or neutral spirits, as such, is hereby prohibited. Nothing in this paragraph shall be construed to prohibit the manufacture or sale of other products obtained by the use of ethyl alcohol or neutral spirits as defined in U.S. Treasury Department, Bureau of Internal Revenue, Regulations 125, Article II, Standards of Identity for Distilled Spirits.

Subd. 3. (a) No person shall consume or display, or allow consumption or display of intoxicating liquor on any premises of a private club or public place between the hours of 1 a.m. and 8 a.m., or between the hours of 1 a.m. and 3 p.m. on Memorial Day, or between the hours of 1 a.m. and 8 p.m. on any primary, special, or general election day held in the district in which the private club or public place is located.

(b) Any private club, as defined in Minnesota Statutes, Section 340.07, Subdivision 7, or any unincorporated society which shall have more than 50 members and which shall have, for more than a year owned, hired or leased space in a building of such extent and character as may be suitable and adequate for reasonable and comfortable accommodations for its members, may allow members to bring and keep a personal supply of intoxicating liquors in lockers assigned to such members. Every bottle, container, or other receptacle containing intoxicating liquor stored by members shall have attached to it a label signed by the member of the club. All liquor on the premises of the club

shall be labeled as herein required, and any not being actually used or consumed by the owner thereof shall be kept in a locker designated to the use of such member. -- It shall be unlawful for any club member under 21 years of age to be assigned a locker for storage of intoxicating liquor, or to consume or display or be permitted to consume or display intoxicating liquor on any premises owned or controlled by such private club.

(e) -- It shall be unlawful for any private club or public place, directly or indirectly, or upon any pretense or by any device to allow the consumption or display of intoxicating liquor, or the serving of any liquid for the purpose of mixing with intoxicating liquor without having first obtained a permit therefor. -- Such permit shall be issued by the liquor control commissioner for a period of one year to expire on July 1, next following issuance of such license, upon the payment of \$100 and must be renewed annually on July 1. -- Application for such permit shall be made to the liquor control commissioner.

There is hereby conferred upon the governing body of each county, city, village, and borough, in the state the authority to impose, in addition to the fee provided by this subdivision, an additional fee not exceeding \$300 per year. -- Such additional fee shall be payable to the county, city, village, or borough imposing the fee.

(f) -- Any private club or public place allowing the consumption or display of intoxicating liquor shall be open for inspection at all times by the liquor control commissioner and his designated

agents and other duly authorized peace officers. Refusal to permit the liquor control commissioner and his designated agents or other duly authorized peace officers to enter and inspect the premises shall be a violation.

(e) No permit provided by this subdivision shall be issued to any private club or public place when the owner, member of the board, management, executive committee or other similar body chosen by the members, shall have been issued, or hereafter be issued, a federal retail liquor dealers special tax stamp for the sale of intoxicating liquors.

(f) Any violation of this subdivision is a misdemeanor, and any violation of clause (a) of this subdivision may be grounds for revocation of said permit.

(g) This subdivision does not apply to any person or premises otherwise licensed for the sale of intoxicating liquor.

(h) Intoxicating liquors sold, served, or displayed in the presence of anyone authorized to inspect the premises, as provided in this subdivision, in violation of this subdivision shall be subject to seizure for purposes of evidence and, contingent upon determination by a court, shall be disposed of as provided in Minnesota Statutes, Section 340.63.

Subd. 2. [LIQUOR SALES IN PUBLIC VIEW.] No "on-sale" place of business shall be permitted to have swinging doors or opaque windows. All sales shall be made in full view of the public. Every licensee shall be responsible for the conduct of his place of business and for conditions of sobriety and order therein.

No licensee shall keep, possess, or operate, or permit the keeping, possession, or operation of, on the licensed premises, or in any room adjoining the licensed premises, any slot machine, dice, or any gambling device or apparatus, nor permit any gambling therein, nor permit the licensed premises or any room in the same, or in any adjoining building, directly or indirectly under its control to be used as a resort for prostitutes or other disorderly persons. No person under 21 years of age shall be employed in any rooms constituting the place in which intoxicating liquors are sold at retail "on-sale." No pool table or billiard table shall be kept or used in any "on-sale" premises except a club.

Subd. 3. [SALES; WHERE FORBIDDEN.] No intoxicating liquors shall be sold in any of the following places:

(1) Within the capitol or upon the grounds thereof;

(2) Upon the state fair grounds or within one half mile thereof. While the state fair is being held, any person who sells any liquor or maintains a drinking place within one mile of the state fair grounds, or aids or abets another in either of such acts, is guilty of a gross misdemeanor, and shall be punished for the first offense by a fine of not less than \$100 nor more than \$250 or by imprisonment for not less than 30 nor more than 90 days or by both; for each subsequent offense by a fine of not less than \$500 nor more than \$1000 or by imprisonment for not less than 3 nor more than 6 months or by both;

(3) Within one mile of the school of agriculture of the University of Minnesota located in Section 21, town 29, range 23 west of Ramsey county. Any person who shall sell intoxicating

liquor or maintains a drinking place within one mile of the school of agriculture of the University of Minnesota, or who aids and abets another in either of such acts is guilty of a gross misdemeanor; and shall be punished for the first offense by a fine of not more than \$100 or by imprisonment for not less than 60 nor more than 90 days; for each subsequent offense by a fine of not less than \$500 nor more than \$1000 or by imprisonment in the county jail for not less than six months nor more than one year or both;

(4) Within 1000 feet of any state hospital, training school, reformatory, prison, or other institution under the supervision and control, in whole or in part, of the commissioner of public welfare or the commissioner of corrections. Whoever sells or otherwise disposes of intoxicating liquor at retail at a place prohibited by this clause is guilty of a gross misdemeanor.

(5) In any town or municipality in which a majority of votes at the last election at which the question of license was voted upon shall not have been in favor of license, or within one half mile of any such municipality, except that any intoxicating liquor, manufactured within any such district, may be sold to be consumed outside of such district;

(6) At any place on the east side of the Mississippi river within one mile of the main building of the University of Minnesota; and within one mile of the Kirby student center building of the University of Minnesota, Duluth Branch;

(7) Within 1,500 feet of any state college, except as hereinafter provided, or, when the place of sale is not within a municipality, within 1,500 feet of any public school outside of

a municipality; as to the Valley Campus of the Mankato state college in the city of Mankato when the place of sale is within 1,000 feet from the middle of the entrance into the main building which entrance is located on the easterly side of South 5th Street at a point where said street is intersected by East Jackson Street in the city of Mankato, or between the Valley campus and Highland campus or within 1,500 feet of the Highland campus;

(8) At more than five places on any one side of a block within and fronting upon the patrol limits of cities of the first class;

(9) The restrictions imposed by this subdivision shall not apply to any manufacturer or wholesaler of intoxicating liquors or to a drug store or to any person lawfully licensed to sell intoxicating liquor immediately prior to the enactment of this subdivision.

Subd. 4. [CERTAIN SALES FORBIDDEN.] The retail sale for beverage purposes of ethyl alcohol or neutral spirits, or substitutes therefor, possessing the taste, aroma, and characteristics generally attributed to ethyl alcohol or neutral spirits, as such, is hereby prohibited. Nothing in this paragraph shall be construed to prohibit the manufacture or sale of other products obtained by the use of ethyl alcohol or neutral spirits as defined in U.S. Treasury Department, Bureau of Internal Revenue, Regulations 125, Article II, Standards of Identity for Distilled Spirits.

Sec. 11. Minnesota Statutes 1965, Section 340.353, is amended to read:

340.353 [MUNICIPAL LIQUOR STORES; ESTABLISHMENT; OPERATION.]

Subdivision 1. In any city, village, or borough having a population of not more than 10,000, according to the most recent federal decennial census, the governing body may establish, own, and operate liquor stores for the dispensing of intoxicating liquor either "on-sale" or "off-sale" or both. Such liquor stores may also sell cigars, cigarettes, ice, all forms of tobacco, non-intoxicating malt beverages, and soft drinks at retail. The authority conferred by this subdivision is limited to the type of municipality named herein.

Subd. 2. [POPULATION CHANGE.] Any municipality in which an authorized liquor store has been established may continue to operate such municipal liquor store notwithstanding any subsequent change in population; provided, that within one year after the effective date of the census by which such municipality exceeds 10,000 in population, the question, "Shall the city (village) continue to operate its municipal liquor store rather than issue private liquor licenses?" is submitted to the voters of the city or village at a general or special municipal election and a majority of the voters voting upon the question at the election vote in the affirmative upon the question. The notice of the election shall show that the question, "Shall the city (village) continue to operate its municipal liquor store rather than issue private liquor licenses?" is to be submitted to the electors at the election.

Subd. 3. [SCOPE AND APPLICATION.] A city, village, or borough which lawfully established a liquor store prior to the

effective date of the intoxicating liquor act may continue to own and operate such a liquor store.

Subd. 4. [NEWLY FORMED MUNICIPALITIES; MUNICIPAL LIQUOR STORES; LIQUOR LICENSES.] No village shall establish or operate a municipal "on-sale" or "off-sale" liquor store nor issue an "on-sale" or "off-sale" liquor license until two years have expired from and after its incorporation. This provision shall not apply to a newly incorporated village which had formerly been a town or is made up of a major geographic portion of what had formerly been a town, which town had the powers of a village under Laws 1963, Chapter 257, Section 1. Such a village may, upon its incorporation, authorize the establishment of municipal "on-sale" or "off-sale" liquor stores or the issuance of "on-sale" or "off-sale" liquor licenses. This subdivision is applicable to a village incorporated after January 1, 1966.

Sec. 12. Minnesota Statutes 1965, Chapter 340, is amended by adding a section to read:

[BOTTLE CLUBS.] Subdivision 1. For the purposes of this section, a bottle club is a "club," as defined in section 1, subdivision 15, or an unincorporated society which, except for its lack of incorporation, otherwise meets the requirements of a club, as defined in such section and subdivision, and which is not licensed for the sale of intoxicating liquor, either "on-sale" or "off-sale," or both.

Subd. 2. A bottle club may allow members to bring and keep a personal supply of intoxicating liquors in lockers

assigned to such members. A bottle club or any unincorporated society which shall have more than 50 members and which shall have, for more than a year, owned, hired; or leased space in a building of such extent and character as may be suitable and adequate for reasonable and comfortable accommodations for its members, may allow members to bring and keep a personal supply of intoxicating liquors in lockers assigned to such members. Every bottle, container, or other receptacle containing intoxicating liquor stored by members shall have attached to it a label signed by the member of the club. All liquor on the premises of the club shall be labeled as herein required, and any not being actually used or consumed by the owner thereof shall be kept in a locker designated to the use of such member. It shall be unlawful for any club member under 21 years of age to be assigned a locker for the storage of intoxicating liquor, or to consume or display or be permitted to consume or display intoxicating liquor on any premises owned or controlled by such private club.

Subd. 3. It is unlawful for any bottle club or for any business establishment, directly or indirectly, or upon any pretense or by any device, to allow the consumption or display of intoxicating liquor or the serving of any liquid for the purpose of mixing of intoxicating liquor without having first obtained a permit therefor. Such permit shall be issued by the liquor control commissioner for a period of one year to expire on July 1, next following issuance of such license, upon the payment of \$100 and must be renewed annually on July 1. Application for such permit shall be made to the liquor control commissioner.

Subd. 4. No person shall consume or display, or allow consumption or display of intoxicating liquor on any premises of a bottle club or a business establishment between the hours of one a.m. and eight a.m.; or between the hours of one a.m. and three p.m. on Memorial Day; or between the hours of one a.m. and eight p.m. on any primary, special, or general election day held in the district in which the bottle club or business establishment is located.

Subd. 5. Any bottle club or business establishment allowing the consumption or display of intoxicating liquor shall be open for inspection at all times by the liquor control commissioner and his designated agents and other duly authorized peace officers. Refusal to permit the liquor control commissioner and his designated agents or other duly authorized peace officers to enter and inspect the premises shall be a violation.

Subd. 6. No permit required by this section shall be issued to any bottle club when a member of the board, management, executive committee, or other similar body chosen by its members or when the business establishment or the owner thereof holds a federal retail liquor dealer's special tax stamp for the sale of intoxicating liquors.

Subd. 7. This section has no application to any person or any premises licensed for the sale of intoxicating liquor under the intoxicating liquor act, but any such person or premises, being a business establishment, is eligible for a permit authorized by this section.

Subd. 8. A violation of this section is a misdemeanor, and any violation of subdivision 2 is grounds for the revocation of such permit.

Subd. 9. Intoxicating liquors sold, served, or displayed in the presence of anyone authorized to inspect the premises, as provided in this section, in violation of this subdivision, shall be subject to seizure for purposes of evidence and, contingent upon determination by a court, shall be disposed of as provided in Minnesota Statutes, Section 340.63.

Sec. 13. The following provisions of Minnesota Statutes 1965 are hereby made a part of the intoxicating liquor act by reference: Sections 340.113, 340.115, 340.12, 340.141, 340.142, 340.143, 340.20, 340.21, 340.323, 340.355, 340.356, 340.357, 340.358, 340.401, 340.402, 340.403, 340.404, 340.405, 340.406, 340.407, 340.493, and 340.51. In the next edition of Minnesota Statutes the revisor of statutes shall renumber and rearrange such sections so that they comprise a part of such act.

Sec. 14. The following provisions of Minnesota Statutes 1965 are hereby made a part of the intoxicating liquor act by reference: Sections 340.17, 340.18, 340.19, 340.33, 340.38, and 340.39. In the next edition of Minnesota Statutes the revisor of statutes shall renumber and rearrange such sections so that they comprise a part of such act. In so doing, however, the revisor of statutes shall also change all references therein reading "sections 340.07 to 340.40" to "intoxicating liquor act".

Sec. 15. Minnesota Statutes 1965, Section 340.15, is amended to read:

340.15 [REGULATION OF ADVERTISING.] ~~The-liquor-control-commissioner-shall-assist-the-state-department-of-education-to-prepare-a-course-of-instruction-relating-to-the-effects-of-alcohol-upon-the-human-system,-upon-character-and-upon-society. Such-course-of-instruction-shall-be-used-in-all-public-schools-of-the-state.~~ The unrestricted advertising of intoxicating liquor is hereby declared to be contrary to public policy. Reasonable rules and regulations restricting advertising to prevent it from counteracting temperance education shall be made by the liquor control commissioner.

Sec. 16. In compiling the next edition of Minnesota Statutes, whenever the reference "sections 340.07 to 340.40" appears in any section of Minnesota Statutes 1965, Chapter 340, the revisor of statutes is directed to change such reference to "intoxicating liquor act".

Sec. 17. None of the provisions contained in sections 1 to 20 shall be deemed to in any way abrogate any right or privilege of any municipality, or of any person, which existed immediately prior to the effective date of this act until July 1, 1969. It is contemplated by the provisions of this section that, in the event any such right or privilege has been inadvertently abrogated or repealed, the 1969 regular session of the legislature will provide a means of correcting the inadvertence.

Sec. 18. Sections 1 to 20 may be cited as the "intoxicating liquor act", and is a part of Minnesota Statutes 1965, Chapter 340.

Sec. 19. [REPEALER.] Minnesota Statutes 1965, Sections 340.111, 340.116, 340.117, 340.118, 340.161, 340.36, 340.37, 340.40, 340.411, 340.412, 340.413, 340.72, 340.75, and 624.702 are hereby repealed.

Sec. 20. [EFFECTIVE DATE.] This act is in effect on and after July 1, 1967.

## MEMORANDUM

Section 1. The definition provisions contained in this section appear in Chapter 340 in one form or another. Because the tax provisions of sections 340.44 to 340.56 use the term "fermented malt beverages," it is necessary to include reference thereto in subd. 2. This is a simplification of the recommendation appearing in section 14 on page 12 of an earlier draft. Subd. 7 is taken from section 340.02, subd. 2, and subd. 8 is taken from 340.02, subd. 6.

Sec. 2. "Municipality" is a substitute for "city, village, or borough" by reason of the definition appearing in section 1. The stricken material with reference to minors being present where non-intoxicating malt liquor is sold or served appears in section 9.

Sec. 3. This is the identical text of existing 340.013, which has been inserted in the non-intoxicating malt liquor act as a matter of convenience to the user of the material.

Sec. 4, subdivision 1. The stricken material with reference to "three types of licenses" is inaccurate. Sales without a license, as set forth in the stricken material, are authorized in subd. 10, which reenacts the part of Minnesota Statutes 1965, section 340.413, relating to non-intoxicating malt beverages only. The part of said section relating to employee sales of intoxicating malt liquor will appear in the bill revising the liquor laws.

Subd. 2. The stricken material is required because of the change in the definition of "municipality," and the definition of "bona fide club." The stricken material as to manufacturers or wholesalers is covered by sec. 5, subdivision 1, of the bill.

Subd. 3 is existing law.

Subd. 4, relating to licenses to railway companies has been rewritten to cover all common carriers and to conform with the existing regulations on such subject.

Subd. 5 is a part of existing section 340.02, subd. 4, rewritten to eliminate a reference and to separate its substance from the part of existing subd. 4 relating to railroad licenses.

Subd. 6 is the text of existing Section 340.02, subd. 6, except the last sentence. The last sentence is in the definition section, Section 1, subd. 8, of the bill.

Subd. 7 is the text of existing Section 340.02, subd. 5.

Subd. 8 is the text of existing Section 340.02, subd. 7. Following the text of subd. 8 and shown as stricken material is Section 340.02, subds. 8 to 12. Old stricken subd. 8 appears in Sec. 5 of the bill. Stricken subd. 9 has expired by its own terms and is obsolete. Stricken subd. 10 appears in Sec. 5 of the bill. Stricken subds. 11 and 12, relating to penalties for the violation of stricken subds. 8 and 9 are reenacted substantially in Sec. 5.

Subd. 9 is the text of existing Section 340.04 relating to the duration of licenses except the last sentence thereof which relates only to Houston county. In order to accomplish

the mission of the subcommittee, the rights and privileges of Houston county conferred by this so-called special act are retained in Section 11. The subcommittee recommends that a special act for Houston county be reenacted substantially in the form set forth in its subcommittee report. If such a special act is enacted and the non-intoxicating malt liquor act becomes law, then Section 11 can be repealed in a revisor's bill at some future date.

Subd. 10. This subdivision is a reenactment of Minnesota Statutes, Section 340.413, as it relates to the sale of non-intoxicating malt beverages to an employee of a manufacturer. The same provision as it relates to intoxicating malt beverages will appear in the liquor revision as previously mentioned in this memorandum.

Subd. 11. This is the text of Section 340.112 as it relates to non-intoxicating malt liquor. The same provision as it relates to intoxicating liquor will be reenacted in the liquor law revision.

Subd. 12. This is the text of Section 340.025.

Subd. 13. This is the text of Section 340.026.

Sec. 5, subdivision 1. This provision is from existing 340.02, subd. 2, and is part of the material deleted from Sec. 2, subd. 2, of the bill.

Subd. 2. This material is from existing Section 340.02, subs. 8, 11, and 12. All of the material contained in subd. 8 is therein contained except clause (d) which is obsolete. The material in existing subs. 11 and 12 relating to penalties is

also therein contained, corrected, however, to reflect the correct references.

Subd. 3. This is the existing provision of Section 340.02, subd. 10.

Sec. 6, subd. 1, brings into the non-intoxicating malt liquor act the requirements of Section 340.493 which, as presently existing, applies to all fermented malt beverages which are shipped into the state by a person from outside of the state. It is contemplated that Section 340.493 will not be changed in the revision. It is also contemplated that everything relating to non-intoxicating malt beverages will be in the one bill. Hence the reason for subdivision 1.

Subd. 2, relating to non-intoxicating malt liquors manufactured outside of the state, is substantially the text of 340.115 where the language is modified to relate only to non-intoxicating malt liquors, whereas the existing law reads, "all malt beverages," regardless of alcoholic content.

Section 340.115 will either be reenacted or amended in the liquor law revision so as to apply to intoxicating malt beverages.

Sec. 7. This is the text of Section 340.412 as it relates to non-intoxicating fermented malt liquors. The provision as it relates to intoxicating malt liquors will appear in the revision of the liquor laws.

Sec. 8, relating to closing hours for the sale of non-intoxicating malt liquor is a rewrite but without change of existing Sections 340.021-022 and 023.

Sec. 9. The text of this section is taken from existing

Section 340.03, except that the provision in clause (1) forbidding a minor to loiter or remain in a room where intoxicating malt liquor is being sold or served has been taken from existing Section 340.01. The penalty provision in subd. 2 is the existing penalty provision contained in part in existing Section 340.05.

Sec. 10. [PENALTY PROVISION.] By this section a violation of any provision of the act is made a misdemeanor except where in one instance a gross misdemeanor is provided for and in this respect is the existing law.

Sec. 11. This savings clause applicable<sup>only</sup>/to Houston county and the reasons therefor appear in this memorandum in the comment concerning Sec. 4, subd. 9.

Sec. 12 is the citation of the act and adds that its provisions do not apply to non-intoxicating malt liquor of less than 1/2 per cent of alcohol by volume. The reference to what the act does not cover is desirable in order that laymen clearly know that it does not apply to so-called "near beer."

Sec. 13 [REPEALER CLAUSE.] The sections contained in the repealer are repealed for the following reasons:

340.013. Its provisions have been reenacted in the bill.

340.021, 340.022, and 340.023, relating to closing hours, are reenacted in the bill.

340.025 and 340.026, relating to federal liquor stamps, are reenacted in the bill.

340.03, relating to minors, is reenacted in the bill.

340.04, relating to duration of licenses, is reenacted in the bill, except the part thereof pertaining to Houston county,

which is to be the subject of a special act.

340.05, relating to penalties, is covered by the general penalty provisions of the act.

340.06, relating to construction, is unnecessary, although there may have been a necessity therefor at the time this rule of construction was first enacted in 1933. The last sentence of Section 340.06, indicating that it does not apply to beer having less than 1/2 percent of alcohol by volume, is included in the citation, so that no one will be misled in thinking that near beer is subject to regulation by the act.