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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **997**

February 15, 2007

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The bill was read for the first time and referred to the Committee on Commerce and Labor

1.1 A bill for an act  
1.2 relating to alcoholic beverages; authorizing off-sale wine licenses for  
1.3 supermarkets; amending Minnesota Statutes 2006, sections 340A.101, by adding  
1.4 a subdivision; 340A.408, subdivision 3; 340A.412, subdivision 3; 340A.413,  
1.5 subdivision 5; 340A.503, subdivision 4; proposing coding for new law in  
1.6 Minnesota Statutes, chapter 340A.

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

1.8 Section 1. Minnesota Statutes 2006, section 340A.101, is amended by adding a  
1.9 subdivision to read:

1.10 Subd. 26a. **Supermarket.** "Supermarket" means a general food store that:

1.11 (1) carries a variety of food and other grocery items in each of the following product  
1.12 categories: bread and bakery; dairy; unfrozen, fresh, and prepared meats and poultry;  
1.13 frozen and refrigerated food and beverages; fresh fruits, vegetables, and other produce;  
1.14 shelf-stable food and beverages, including canned and other types of packaged products;  
1.15 staple foodstuffs; cleaning products, paper goods, and other household products; and  
1.16 health and beauty aids; and

1.17 (2) occupies a building space with at least 8,000 square feet for the purposes of  
1.18 supermarket operation.

1.19 Sec. 2. [340A.4051] OFF-SALE WINE LICENSES.

1.20 Subdivision 1. **License.** (a) A city, including a city owning and operating a  
1.21 municipal liquor store under section 340A.601, shall issue an off-sale wine license to a  
1.22 supermarket located within the city if the applicant supermarket meets the qualifications  
1.23 in subdivisions 2 and 5 and section 340A.402. A county or town authorized to issue an  
1.24 off-sale intoxicating liquor license under section 340A.405, subdivision 2 or 3, shall issue

2.1 an off-sale wine license to a supermarket according to the same jurisdictional guidelines  
2.2 and requirements for the issuance of an off-sale intoxicating liquor license as set forth in  
2.3 section 340A.405, subdivisions 2, paragraphs (b) and (c), and 3, provided that the applicant  
2.4 supermarket also meets the qualifications in subdivisions 2 and 5 and section 340A.402. A  
2.5 license issued under this section is not valid until approved by the commissioner.

2.6 (b) A city, county, or town issuing a license under this section shall renew the license  
2.7 if it finds that the licensee continues to meet the qualifications set forth in this subdivision.

2.8 (c) A supermarket applying to a city, county, or town for an off-sale wine license  
2.9 under this section that is denied a license by the city, county, or town, may reapply for  
2.10 an off-sale wine license.

2.11 Subd. 2. **License requirements.** Before issuing an off-sale wine license under this  
2.12 section, the city, county, or town must determine that the applicant:

2.13 (1) has established and implemented an employee and supervisor training program  
2.14 that includes state laws regulating wine off-sales and responsible sales practices; and

2.15 (2) has established in writing and implemented a theft prevention plan that addresses  
2.16 employee and customer theft and provides for wine inventory security.

2.17 A licensee under this section must update the theft prevention plan at least annually and  
2.18 must make the plan available for inspection by the licensing authority during regular  
2.19 business hours.

2.20 Subd. 3. **Sales authorized.** A license under this section authorizes only the off-sale  
2.21 of wine containing not more than 15.5 percent alcohol by volume for consumption off the  
2.22 licensed premises.

2.23 Subd. 4. **Youth access compliance checks.** A city, county, or town that issues  
2.24 licenses under subdivision 1 must conduct at least one unannounced youth access  
2.25 compliance check each calendar year at each licensed supermarket. A compliance check  
2.26 under this subdivision must follow the same procedures and standards as the city, county,  
2.27 or town applies to youth access compliance checks at other off-sale retail licensees.

2.28 Subd. 5. **Notice required.** A licensee under this section must prominently post and  
2.29 maintain in a conspicuous place within the licensed premise the following notice:

2.30 "No wine sales will be made to any person under age 21. Every customer purchasing  
2.31 wine will be required to show proof of age."

2.32 The notice must be consistent with those required by section 340A.410, subdivision  
2.33 4b.

2.34 Subd. 6. **Employees; requirements.** (a) No person may sell wine at a supermarket  
2.35 licensed under this section unless the person has completed the employee training program  
2.36 required under subdivision 2 at least once within the previous 12 months.

3.1 (b) A person selling wine at a supermarket must obtain proof of age as described in  
 3.2 section 340A.503, subdivision 6, before making the sale.

3.3 (c) For purposes of this subdivision and section 340A.412, subdivision 10, "sale" or  
 3.4 "sell" means the computer price scanning or manual ringing up of a wine sale.

3.5 Subd. 7. **Display requirements.** A supermarket may only display wine for retail  
 3.6 sale in areas immediately adjacent to food and other grocery items in building space  
 3.7 occupied for the purposes of supermarket operation.

3.8 Sec. 3. Minnesota Statutes 2006, section 340A.408, subdivision 3, is amended to read:

3.9 Subd. 3. **Intoxicating liquor; off-sale.** (a) Except as provided in paragraph (c),  
 3.10 the annual license fee for an off-sale intoxicating liquor license issued by a city, when  
 3.11 combined with any occupation tax imposed by the city, may not exceed the following  
 3.12 limits:

- 3.13 (1) \$1,000 for cities of the first class;  
 3.14 (2) \$200 for cities over 10,000 other than cities of the first class;  
 3.15 (3) \$150 for cities of between 5,000 and 10,000 population; and  
 3.16 (4) \$100 for cities with less than 5,000 population.

3.17 (b) The annual license fee for an off-sale intoxicating liquor license issued by a  
 3.18 county or town shall not exceed \$500.

3.19 (c) The annual license fee for an off-sale wine license issued under section  
 3.20 340A.4051 is the fee set by the issuing city, county, or town. The fee may not exceed the  
 3.21 amount reasonably necessary to recover the issuing city's, county's, or town's costs of  
 3.22 issuing and inspecting and other directly related costs of enforcement, including youth  
 3.23 access compliance checks.

3.24 Sec. 4. Minnesota Statutes 2006, section 340A.412, subdivision 3, is amended to read:

3.25 Subd. 3. **Limitations on issuance of licenses to one person or place.** (a) A  
 3.26 municipality may not issue more than one off-sale intoxicating liquor license to any one  
 3.27 person or for any one place.

3.28 (b) A municipality may not allow the same business name to be used by more than  
 3.29 one of its off-sale intoxicating liquor licensees.

3.30 (c) For purposes of this subdivision, "person" means:

- 3.31 (1) a holder of an off-sale intoxicating liquor license;  
 3.32 (2) an officer, director, agent, or employee of a holder of an off-sale intoxicating  
 3.33 liquor license; or

4.1 (3) an affiliate of a holder of an off-sale intoxicating liquor license, regardless of  
4.2 whether the affiliation is corporate or by management, direction, or control.

4.3 (d) This subdivision does not apply to off-sale wine licenses issued under section  
4.4 340A.4051.

4.5 Sec. 5. Minnesota Statutes 2006, section 340A.413, subdivision 5, is amended to read:

4.6 Subd. 5. **Off-sale licenses.** No off-sale intoxicating liquor license may be issued in  
4.7 any city, other than an off-sale wine license under section 340A.4051, except as provided  
4.8 in this section, in excess of the following limits:

4.9 (1) in cities of the first class, not more than one off-sale license for each 5,000  
4.10 population; and

4.11 (2) in all other cities the limit shall be determined by the governing body of the city.

4.12 Sec. 6. Minnesota Statutes 2006, section 340A.503, subdivision 4, is amended to read:

4.13 Subd. 4. **Entering licensed premises.** (a) It is unlawful for a person under the  
4.14 age of 21 years to enter an establishment licensed for the sale of alcoholic beverages or  
4.15 any municipal liquor store for the purpose of purchasing or having served or delivered  
4.16 any alcoholic beverage.

4.17 (b) Notwithstanding section 340A.509, no ordinance enacted by a statutory or  
4.18 home rule charter city may prohibit a person 18, 19, or 20 years old from entering an  
4.19 establishment licensed under this chapter to:

4.20 (1) perform work for the establishment, including the serving of alcoholic beverages,  
4.21 unless otherwise prohibited by section 340A.412, subdivision 10;

4.22 (2) consume meals; and

4.23 (3) attend social functions that are held in a portion of the establishment where  
4.24 liquor is not sold.

4.25 (c) Notwithstanding section 340A.509, no ordinance enacted by a city, county,  
4.26 or town may prohibit a person under the age of 21 years from entering a supermarket  
4.27 licensed under section 340A.4051.