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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 1854

March 8, 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 liquor; regulating advertising; banning free drinks and other
1.3 promotional tools of retailers; amending Minnesota Statutes 2006, section
1.4 340A.507, by adding a subdivision; proposing coding for new law in Minnesota
1.5 Statutes, chapter 340A.

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

1.7 Section 1. Minnesota Statutes 2006, section 340A.507, is amended by adding a
1.8 subdivision to read:

1.9 Subd. 5. **Promotion of excessive drinking banned.** No manufacturer, wholesaler,
1.10 or retailer of alcoholic beverages may advertise or promote:

1.11 (1) the provision of free alcohol;

1.12 (2) periods of free or low-cost unlimited consumption of alcoholic beverages; or

1.13 (3) periods of excessive drinking by patrons.

1.14 Sec. 2. **[340A.5072] RESTRICTIONS ON SERVICE.**

1.15 Subdivision 1. **Continuous restrictions.** No retail licensee, employee, or agent
1.16 of a licensee shall:

1.17 (1) offer or deliver any free drinks to any person or groups of persons;

1.18 (2) deliver three or more drinks to any one person at a time, except that this provision
1.19 does not prohibit selling wine by bottle or carafe;

1.20 (3) sell, offer to sell, or deliver malt beverages or mixed drinks by pitcher except to
1.21 two or more persons at one time; or

1.22 (4) encourage or permit games or contests on the licensed premises which involve
1.23 drinking, award prizes based on alcohol consumption, or award prizes of alcohol.

2.1 Subd. 2. **Closing time restrictions.** On any date before 8:00 a.m. and after 10:00
2.2 p.m., a retail licensee or employee or agent of the licensee may not:

2.3 (1) serve two or more drinks of alcoholic beverages at one time to one individual
2.4 for consumption by that individual, except this subdivision does not prohibit serving
2.5 wine by the bottle or carafe;

2.6 (2) sell, offer to sell, or serve to any individual an unlimited number of drinks of
2.7 alcoholic beverages during any set period of time for a fixed price, except at private
2.8 functions not open to the general public;

2.9 (3) increase the volume of alcoholic beverage contained in a drink or the size of
2.10 a drink of alcoholic beverages without increasing proportionately the price regularly
2.11 charged for the drink on that day;

2.12 (4) serve any drink of alcoholic beverage for no charge or reduced price based on a
2.13 characteristic of a customer or until a certain time or event; or

2.14 (5) advertise or promote in any way, whether on or off the licensed premises, any of
2.15 the practices prohibited in this subdivision.

2.16 Subd. 3. **Exemptions.** Nothing in this section or section 340A.507, subdivision 5,
2.17 prohibits a licensee from:

2.18 (1) offering free food or entertainment at any time;

2.19 (2) including drinks of alcoholic beverages as part of a meal package;

2.20 (3) including drinks of alcoholic beverages as part of a hotel package;

2.21 (4) negotiating drinks of alcoholic beverages as part of a contract between a hotel
2.22 or multiuse establishment and another group for the holding of any function, meeting,
2.23 convention, or trade show;

2.24 (5) providing room service to persons renting rooms at a hotel;

2.25 (6) selling pitchers, buckets, carafes, or bottles of alcoholic beverages that are
2.26 customarily sold in this manner and delivered to two or more individuals at one time;

2.27 (7) increasing prices of drinks of alcoholic beverages in lieu of, in whole or in part, a
2.28 cover charge to offset the cost of special entertainment not regularly scheduled; or

2.29 (8) advertising or conducting wine or beer tastings that are otherwise legal.

2.30 Subd. 4. **Penalties.** Violation of this section is grounds for suspension or revocation
2.31 of the retailers license.