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State of Minnesota

HOUSE OF REPRESENTATIVES NINETIETH SESSION

H. F. No. 1078

02/13/2017 Authored by Christensen, Hoppe, Franson and Drazkowski

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

A bill for an act 1.1

relating to liquor; providing for off-sale for brew pubs and small brewers; amending 1.2 Minnesota Statutes 2016, sections 340A.24, subdivision 3; 340A.28; 340A.285. 13

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

Section 1. Minnesota Statutes 2016, section 340A.24, subdivision 3, is amended to read: 1.5

Subd. 3. Total retail sales. A brew pub's total retail sales at on- or off-sale under this 1.6 section may not exceed 3,500 barrels per year, provided that off-sales may not total more 1.7 than 500 barrels. 1.8

Sec. 2. Minnesota Statutes 2016, section 340A.28, is amended to read:

340A.28 SMALL BREWER OFF-SALE.

Subdivision 1. License; limitations. A brewer licensed under section 340A.301, subdivision 6, clause (c), (i), or (j), may be issued a license by a municipality for off-sale of malt liquor at its licensed premises that has been produced and packaged by the brewer. The license must be approved by the commissioner. A brewer may only have one license under this subdivision. The amount of malt liquor sold at off-sale may not exceed 500 barrels annually. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the jurisdiction in which the brewer is located, and the malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores, except that malt liquor in growlers only may be sold at off-sale on Sundays. Sunday sales must be approved by the licensing jurisdiction and hours may be established by those jurisdictions. Packaging of malt liquor for off-sale under this subdivision must comply with section 340A.285.

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Subd. 2. **Prohibition.** A municipality may not issue a license under this section to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than $20,000 \, 250,000$ barrels of its own brands of malt liquor annually or a winery that produces more than $250,000 \, \text{gallons}$ of wine annually.

- Subd. 3. **Fee.** The municipality shall impose a licensing fee on a brewer holding a license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 3, paragraph (a).
- Sec. 3. Minnesota Statutes 2016, section 340A.285, is amended to read:

340A.285 GROWLERS.

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- (a) Malt liquor authorized for off-sale pursuant to section 340A.24 or 340A.28 shall be packaged in 64-ounce containers commonly known as "growlers" or in 750 milliliter bottles. The containers or bottles shall bear a twist-type closure, cork, stopper, or plug any vessel containing between 500 milliliters and two liters. At the time of sale, a paper or plastic adhesive band, strip, or sleeve shall be applied to the container or bottle vessel and extended over the top of the twist-type closure, cork, stopper, or plug forming a seal that must be broken upon opening the container or bottle vessel. The adhesive band, strip, or sleeve shall bear the name and address of the brewer. The containers or bottles vessels shall be identified as malt liquor, contain the name of the malt liquor, bear the name and address of the brew pub or brewer selling the malt liquor, and shall be considered intoxicating liquor unless the alcoholic content is labeled as otherwise in accordance with the provisions of Minnesota Rules, part 7515.1100.
- (b) A brew pub or brewer may, but is not required to, refill any container or bottle vessel with malt liquor for off-sale at the request of the customer. A brew pub or brewer refilling a container or bottle vessel must do so at its licensed premises and the container or bottle vessel must be filled at the tap at the time of sale. A container or bottle vessel refilled under this paragraph must be sealed and labeled in the manner described in paragraph (a).

Sec. 3. 2