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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2620

05/12/2021

Authored by Bliss

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

1.1 A bill for an act

1.2 relating to liquor; converting 3.2 percent malt liquor licenses to 5.5 percent alcoholic

1.3 beverage licenses; making conforming changes; amending Minnesota Statutes

1.4 2020, sections 28A.16; 169A.35, subdivisions 1, 1a, 2, 3, 4; 181A.115; 182.651,

1.5 subdivision 18; 204C.06, subdivision 7; 270C.725, subdivision 3; 295.75,

1.6 subdivision 1; 297G.01, subdivisions 10, 18, 21; 297G.04, subdivision 1; 340A.101,

1.7 subdivisions 14, 19; 340A.24, subdivision 1; 340A.301, subdivisions 1, 4, 8, 12;

1.8 340A.308; 340A.310; 340A.311; 340A.402, subdivision 1; 340A.403; 340A.404,

1.9 subdivisions 2, 5; 340A.4055; 340A.407; 340A.408, subdivisions 1, 4, 5; 340A.409,

1.10 subdivision 4; 340A.410, subdivision 8; 340A.411; 340A.412, subdivision 6;

1.11 340A.414, subdivision 2; 340A.503, subdivision 1; 340A.504, subdivisions 1, 6,

1.12 7; 340A.508, subdivision 2; 349.12, subdivision 3c; 349.17, subdivisions 7, 9;

1.13 349.1721, subdivisions 3, 4; 609.33, subdivisions 1, 4; 624.701, subdivision 1a;

1.14 624.731, subdivisions 5, 8.

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

1.16 ARTICLE 1

1.17 LIQUOR ACT

1.18 Section 1. Minnesota Statutes 2020, section 340A.101, subdivision 14, is amended to
1.19 read:

1.20 Subd. 14. **Intoxicating liquor.** "Intoxicating liquor" is ethyl alcohol, distilled, fermented,
1.21 spirituous, vinous, and malt beverages containing more than ~~3.2~~ 5.5 percent of alcohol by
1.22 weight.

1.23 Sec. 2. Minnesota Statutes 2020, section 340A.101, subdivision 19, is amended to read:

1.24 Subd. 19. ~~3.2~~ 5.5 percent malt liquor alcoholic beverage. "~~3.2~~ 5.5 percent malt liquor
1.25 alcoholic beverage" is ~~malt liquor~~ an alcoholic beverage containing not less than one-half

2.1 of one percent alcohol by volume nor more than ~~3.2~~ 5.5 percent alcohol by weight, and
 2.2 includes but is not limited to beer, ale, hard cider, hard seltzer, and canned cocktails.

2.3 Sec. 3. Minnesota Statutes 2020, section 340A.24, subdivision 1, is amended to read:

2.4 Subdivision 1. **On-sale license.** A brew pub may be issued an on-sale intoxicating liquor
 2.5 or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage license by a municipality for a restaurant
 2.6 operated in the place of manufacture.

2.7 Sec. 4. Minnesota Statutes 2020, section 340A.301, subdivision 1, is amended to read:

2.8 Subdivision 1. **Licenses required.** No person may directly or indirectly manufacture or
 2.9 sell at wholesale intoxicating liquor, or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages
 2.10 without obtaining an appropriate license from the commissioner, except where otherwise
 2.11 provided in this chapter. A manufacturer's license includes the right to import. A licensed
 2.12 brewer may sell the brewer's products at wholesale only if the brewer has been issued a
 2.13 wholesaler's license. The commissioner shall issue a wholesaler's license to a brewer only
 2.14 if (1) the commissioner determines that the brewer was selling the brewer's own products
 2.15 at wholesale in Minnesota on January 1, 1991, or (2) the brewer has acquired a wholesaler's
 2.16 business or assets under subdivision 9, paragraph (c) or (d). A licensed wholesaler of
 2.17 intoxicating malt liquor may sell ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages at wholesale
 2.18 without an additional license.

2.19 Sec. 5. Minnesota Statutes 2020, section 340A.301, subdivision 4, is amended to read:

2.20 Subd. 4. **Bond.** The commissioner may not issue a license under this section to a person
 2.21 who has not filed a bond with corporate surety, or cash, or United States government bonds
 2.22 payable to the state. The proof of financial responsibility must be approved by the
 2.23 commissioner before the license is issued. The bond must be conditioned on the licensee
 2.24 obeying all laws governing the business and paying when due all taxes, fees, penalties and
 2.25 other charges, and must provide that it is forfeited to the state on a violation of law. This
 2.26 subdivision does not apply to a Minnesota farm winery, licensed under section 340A.315,
 2.27 that is in existence as of January 1, 2010. Bonds must be in the following amounts:

2.28	Manufacturers and wholesalers of intoxicating	
2.29	liquor except as provided in this subdivision	\$ 10,000
2.30	Manufacturers and wholesalers of wine up to 25	
2.31	percent alcohol by weight	\$ 5,000
2.32	Manufacturers and wholesalers of beer of more	
2.33	than 3.2 <u>5.5</u> percent alcohol by weight	\$ 1,000

3.1	Manufacturers and wholesalers of fewer than		
3.2	20,000 proof gallons	\$	2,000
3.3	Manufacturers and wholesalers of 20,000 to		
3.4	40,000 proof gallons	\$	3,000

3.5 Sec. 6. Minnesota Statutes 2020, section 340A.301, subdivision 8, is amended to read:

3.6 Subd. 8. **Interest in other business.** (a) Except as provided in this subdivision, a holder
 3.7 of a license as a manufacturer, brewer, importer, or wholesaler may not have any ownership,
 3.8 in whole or in part, in a business holding a retail intoxicating liquor or ~~3.2~~ 5.5 percent ~~malt~~
 3.9 ~~liquor~~ alcoholic beverage license. The commissioner may not issue a license under this
 3.10 section to a manufacturer, brewer, importer, or wholesaler if a retailer of intoxicating liquor
 3.11 has a direct or indirect interest in the manufacturer, brewer, importer, or wholesaler. A
 3.12 manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail
 3.13 intoxicating liquor sales only if the manufacturer or wholesaler has owned the property
 3.14 continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have
 3.15 property rented for the manufacture or wholesaling of intoxicating liquor.

3.16 (b) Except as provided in subdivision 9, no brewer as defined in subdivision 9 or importer
 3.17 may have any interest, in whole or in part, directly or indirectly, in the license, business,
 3.18 assets, or corporate stock of a licensed malt liquor wholesaler.

3.19 Sec. 7. Minnesota Statutes 2020, section 340A.301, subdivision 12, is amended to read:

3.20 Subd. 12. ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage; **label.** ~~3.2~~ 5.5 percent ~~malt~~
 3.21 ~~liquor~~ alcoholic beverage, as defined under section 340A.101, subdivision 19, may be sold
 3.22 with a label that states "MAX ~~3.2%~~ 5.5% ALC/WT" or equivalent, on the side of the can
 3.23 or bottle, and does not require a similar disclosure on the can top or bottom. The
 3.24 commissioner shall establish standards to implement this requirement.

3.25 Sec. 8. Minnesota Statutes 2020, section 340A.308, is amended to read:

3.26 **340A.308 PROHIBITED TRANSACTIONS.**

3.27 (a) Except as otherwise provided in section 340A.301, no brewer or malt liquor wholesaler
 3.28 may directly or indirectly, or through an affiliate or subsidiary company, or through an
 3.29 officer, director, stockholder, or partner:

3.30 (1) give, or lend money, credit, or other thing of value to a retailer;

3.31 (2) give, lend, lease, or sell furnishing or equipment to a retailer;

3.32 (3) have an interest in a retail license; or

4.1 (4) be bound for the repayment of a loan to a retailer.

4.2 (b) No retailer may solicit any equipment, fixture, supplies, money, or other thing of
4.3 value from a brewer or malt liquor wholesaler if furnishing of these items by the brewer or
4.4 wholesaler is prohibited by law and the retailer knew or had reason to know that the
4.5 furnishing is prohibited by law.

4.6 (c) This section does not prohibit a manufacturer or wholesaler from:

4.7 (1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to \$400
4.8 excluding installation and repair costs;

4.9 (2) furnishing, lending, or renting to a retailer inside signs and other promotional material,
4.10 of a cost of up to \$300 in a year;

4.11 (3) furnishing to or maintaining for a retailer equipment for dispensing malt liquor,
4.12 including tap trailers, cold plates and other dispensing equipment, of a cost of up to \$100
4.13 per tap in a year;

4.14 (4) using or renting property owned continually since November 1, 1933, for the purpose
4.15 of selling intoxicating or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages at retail;

4.16 (5) extending customary commercial credit to a retailer in connection with a sale of
4.17 nonalcoholic beverages only, or engaging in cooperative advertising agreements with a
4.18 retailer in connection with the sale of nonalcoholic beverages only; or

4.19 (6) in the case of a wholesaler, with the prior written consent of the commissioner, selling
4.20 beer on consignment to a holder of a temporary license under section 340A.403, subdivision
4.21 2, or 340A.404, subdivision 10.

4.22 Sec. 9. Minnesota Statutes 2020, section 340A.310, is amended to read:

4.23 **340A.310 SALES BY WHOLESALERS.**

4.24 A wholesaler may sell intoxicating liquor or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic
4.25 beverages only to municipal liquor stores, government instrumentalities, or holders of
4.26 alcoholic beverage licenses issued under this chapter.

4.27 Sec. 10. Minnesota Statutes 2020, section 340A.311, is amended to read:

4.28 **340A.311 BRAND REGISTRATION.**

4.29 (a) A brand of intoxicating liquor or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages may
4.30 not be manufactured, imported into, or sold in the state unless the brand label has been
4.31 registered with and approved by the commissioner. A brand registration must be renewed

5.1 every three years in order to remain in effect. The fee for an initial brand registration is \$40.
5.2 The fee for brand registration renewal is \$30. The brand label of a brand of intoxicating
5.3 liquor or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage for which the brand registration has
5.4 expired, is conclusively deemed abandoned by the manufacturer or importer.

5.5 (b) In this section "brand" and "brand label" include trademarks and designs used in
5.6 connection with labels.

5.7 (c) The label of any brand of wine or intoxicating or nonintoxicating malt beverage may
5.8 be registered only by the brand owner or authorized agent. No such brand may be imported
5.9 into the state for sale without the consent of the brand owner or authorized agent. This
5.10 section does not limit the provisions of section 340A.307.

5.11 (d) The commissioner shall refuse to register a malt liquor brand label, and shall revoke
5.12 the registration of a malt liquor brand label already registered, if the brand label states or
5.13 implies in a false or misleading manner a connection with an actual living or dead American
5.14 Indian leader. This paragraph does not apply to a brand label registered for the first time in
5.15 Minnesota before January 1, 1992.

5.16 Sec. 11. Minnesota Statutes 2020, section 340A.402, subdivision 1, is amended to read:

5.17 Subdivision 1. **Disqualifiers.** No retail license may be issued to:

5.18 (1) a person under 21 years of age;

5.19 (2) a person who has had an intoxicating liquor or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic
5.20 beverage license revoked within five years of the license application, or to any person who
5.21 at the time of the violation owns any interest, whether as a holder of more than five percent
5.22 of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or
5.23 in the business conducted thereon, or to a corporation, partnership, association, enterprise,
5.24 business, or firm in which any such person is in any manner interested;

5.25 (3) a person not of good moral character and repute; or

5.26 (4) a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

5.27 In addition, no new retail license may be issued to, and the governing body of a
5.28 municipality may refuse to renew the license of, a person who, within five years of the
5.29 license application, has been convicted of a felony or a willful violation of a federal or state
5.30 law or local ordinance governing the manufacture, sale, distribution, or possession for sale
5.31 or distribution of an alcoholic beverage. The Alcohol and Gambling Enforcement Division

6.1 or licensing authority may require that fingerprints be taken and forwarded to the Federal
6.2 Bureau of Investigation for purposes of a criminal history check.

6.3 Sec. 12. Minnesota Statutes 2020, section 340A.403, is amended to read:

6.4 **340A.403 ~~3.2~~ 5.5 PERCENT MALT LIQUOR ALCOHOLIC BEVERAGE**
6.5 **LICENSES.**

6.6 Subdivision 1. **Issuance by county or city.** The governing body of a city or county may
6.7 issue off-sale or on-sale licenses for the sale of ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage
6.8 within their respective jurisdictions.

6.9 Subd. 2. **Temporary licenses.** (a) A club or charitable, religious, or nonprofit organization
6.10 may be issued a temporary on-sale license for the sale of ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic
6.11 beverages.

6.12 (b) The temporary license may authorize the sale of ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic
6.13 beverages in any school or school buildings.

6.14 (c) Temporary licenses are subject to the terms set by the issuing county or city.

6.15 Subd. 3. **Exemption.** (a) Any person licensed to sell intoxicating liquor at on-sale shall
6.16 not be required to obtain an on-sale license under this section, and may sell nonintoxicating
6.17 malt beverages at on-sale without further license.

6.18 (b) Any person licensed to sell intoxicating liquor at off-sale shall not be required to
6.19 obtain an off-sale license under this section, and may sell nonintoxicating malt beverages
6.20 at off-sale without further license.

6.21 Subd. 4. **Notice to commissioner.** Within ten days of the issuance of a license under
6.22 this section, a municipality shall inform the commissioner, on a form the commissioner
6.23 prescribes, of the licensee's name and address and trade name, the effective date and
6.24 expiration date of the license, and any other information on the license the commissioner
6.25 requires.

6.26 Sec. 13. Minnesota Statutes 2020, section 340A.404, subdivision 2, is amended to read:

6.27 Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue
6.28 an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the
6.29 Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding
6.30 the limitations of law, or local ordinance, or charter provision relating to zoning or school
6.31 or church distances. The licenses authorize sales on all days of the week to holders of tickets

7.1 for performances presented by the theaters and to members of the nonprofit corporations
7.2 holding the licenses and to their guests.

7.3 (b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland
7.4 Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510
7.5 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter
7.6 provision.

7.7 (c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah
7.8 Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue
7.9 South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter
7.10 provision relating to zoning or school or church distances.

7.11 (d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the
7.12 American Association of University Women, Minneapolis branch, for use on the premises
7.13 owned by the American Association of University Women, Minneapolis branch, at 2115
7.14 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local
7.15 ordinances, or charter provisions relating to zoning or school or church distances.

7.16 (e) The city of Minneapolis may issue an on-sale wine license and an on-sale ~~3-2~~ 5.5
7.17 percent ~~malt liquor~~ alcoholic beverage license to a restaurant located at 5000 Penn Avenue
7.18 South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located
7.19 at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter
7.20 provision.

7.21 (f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor
7.22 license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the
7.23 Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the
7.24 Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located
7.25 at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South,
7.26 Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at
7.27 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South,
7.28 notwithstanding any law or local ordinance or charter provision. The license authorizes
7.29 sales on all days of the week.

7.30 (g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University
7.31 Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering
7.32 operator at the building owned and operated by the University Gateway Corporation on the
7.33 University of Minnesota campus, notwithstanding limitations of law, or local ordinance or
7.34 charter provision. The license authorizes sales on all days of the week.

8.1 (h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker
8.2 Art Center's concessionaire or operator, for a restaurant and catering operator on the premises
8.3 of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter
8.4 provisions. The license authorizes sales on all days of the week.

8.5 (i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie
8.6 Theater's concessionaire or operator for a restaurant and catering operator on the premises
8.7 of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter
8.8 provisions. The license authorizes sales on all days of the week.

8.9 (j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor
8.10 license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator
8.11 for a restaurant and catering operator on the premises of the Minnesota Book and Literary
8.12 Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance
8.13 or charter provision. The license authorizes sales on all days of the week.

8.14 (k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant
8.15 located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter
8.16 provision.

8.17 (l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum
8.18 of Russian Art's concessionaire or operator for a restaurant and catering operator on the
8.19 premises of the Museum of Russian Art located at 5500 Stevens Avenue South,
8.20 notwithstanding any law or local ordinance or charter provision.

8.21 (m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the
8.22 American Swedish Institute or to its concessionaire or operator for use on the premises
8.23 owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding
8.24 limitations of law, or local ordinances, or charter provision relating to zoning or school or
8.25 church distances.

8.26 (n) Notwithstanding any other law, local ordinance, or charter provision, the city of
8.27 Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis
8.28 Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions
8.29 or catering contract with the Minneapolis Institute of Arts for use on the premises of the
8.30 Minneapolis Institute of Arts. The licenses authorized by this subdivision may be issued
8.31 for space that is not compact and contiguous, provided that all such space is included in the
8.32 description of the licensed premises on the approved license application. The licenses
8.33 authorize sales on all days of the week.

9.1 (o) The city of Minneapolis may issue an on-sale intoxicating liquor license to Norway
 9.2 House or to its concessionaire or operator for use on the premises owned by Norway House
 9.3 at 913 East Franklin Avenue, notwithstanding limitations of law, or local ordinances, or
 9.4 charter provision relating to zoning or school or church distances.

9.5 (p) Notwithstanding any other law, local ordinance, or charter provision, the city of
 9.6 Minneapolis may issue one or more on-sale intoxicating liquor licenses to any entity holding
 9.7 a concessions or catering contract with the Minneapolis Park and Recreation Board for use
 9.8 on the premises of the Downtown Commons Park, the Minneapolis Sculpture Garden, or
 9.9 at Boom Island Park. The licenses authorized by this subdivision may be used for space
 9.10 specified within the park property, provided all such space is included in the description of
 9.11 the licensed premises on the approved license application. The licenses authorize sales on
 9.12 the dates on the approved license application.

9.13 Sec. 14. Minnesota Statutes 2020, section 340A.404, subdivision 5, is amended to read:

9.14 Subd. 5. **Wine licenses.** (a) A municipality may issue an on-sale wine license with the
 9.15 approval of the commissioner to a restaurant having facilities for seating at least 25 guests
 9.16 at one time. A wine license permits the sale of wine of up to 24 percent alcohol by volume
 9.17 for consumption. A wine license authorizes the sale of wine on all days of the week unless
 9.18 the issuing authority restricts the license's authorization to the sale of wine on all days except
 9.19 Sundays.

9.20 (b) The governing body of a municipality may by ordinance authorize a holder of an
 9.21 on-sale wine license issued pursuant to paragraph (a) who is also licensed to sell ~~3.2~~ 5.5
 9.22 percent ~~malt liquors~~ alcoholic beverages at on-sale pursuant to section 340A.411, to sell
 9.23 intoxicating malt liquors at on-sale without an additional license.

9.24 (c) A municipality may issue an on-sale wine license with the approval of the
 9.25 commissioner to a licensed bed and breakfast facility. A license under this paragraph
 9.26 authorizes a bed and breakfast facility to furnish wine only to registered guests of the facility
 9.27 and, if the facility contains a licensed commercial kitchen, also to guests attending private
 9.28 events at the facility.

9.29 (d) The State Agricultural Society may issue an on-sale wine license to the holder of a
 9.30 state fair concession contract pursuant to section 37.21, subdivision 2.

10.1 Sec. 15. Minnesota Statutes 2020, section 340A.4055, is amended to read:

10.2 **340A.4055 LICENSES IN INDIAN COUNTRY.**

10.3 Notwithstanding any law to the contrary, on-sale or off-sale licenses for the sale of
 10.4 intoxicating liquor or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages issued by the governing
 10.5 body of an Indian tribe in accordance with United States Code, title 18, section 1161, to an
 10.6 Indian tribal member or Indian tribal entity for an establishment located within Indian
 10.7 country as defined under United States Code, title 18, section 1154, are valid. When a license
 10.8 is issued under this section, the issuing authority shall notify the commissioner of public
 10.9 safety of the name and address of the licensee. Upon receipt of the notice, the commissioner
 10.10 shall issue a retailer's identification card to the licensee to permit the licensee to purchase
 10.11 distilled spirits, wine, or malt beverages. An establishment issued a license under this section
 10.12 is not required to obtain a license from any municipality, county, or town.

10.13 Sec. 16. Minnesota Statutes 2020, section 340A.407, is amended to read:

10.14 **340A.407 COMMON CARRIERS.**

10.15 The commissioner may issue an on-sale license to a person certificated by either the
 10.16 state or the United States of America, or an agency thereof, as a common carrier engaged
 10.17 in the business of transporting persons for hire in interstate or intrastate commerce to sell
 10.18 intoxicating or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages in a place where meals are
 10.19 sold. A license issued under this subdivision only authorizes the sale of intoxicating or ~~3.2~~
 10.20 5.5 percent ~~malt liquor~~ alcoholic beverages to a bona fide passenger who is actually being
 10.21 transported in interstate or intrastate commerce.

10.22 Sec. 17. Minnesota Statutes 2020, section 340A.408, subdivision 1, is amended to read:

10.23 Subdivision 1. ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage. (a) The license fee for
 10.24 an on-sale and off-sale ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage license is the fee set
 10.25 by the county or city issuing the license.

10.26 (b) One-half of the license fee received by a county for a retail license to sell ~~3.2~~ 5.5
 10.27 percent ~~malt liquor~~ alcoholic beverages within any town in the county shall be paid to the
 10.28 town board where the business is located.

10.29 Sec. 18. Minnesota Statutes 2020, section 340A.408, subdivision 4, is amended to read:

10.30 Subd. 4. **Lake Superior, St. Croix River, and Mississippi River tour boats; common**
 10.31 **carriers.** (a) The annual license fee for licensing of Lake Superior, St. Croix River, and

11.1 Mississippi River tour boats under section 340A.404, subdivision 8, shall be \$1,500. The
 11.2 commissioner shall transmit one-half of this fee to the governing body of the city that is the
 11.3 home port of the tour boat or to the county in which the home port is located if the home
 11.4 port is outside a city.

11.5 (b) The annual license fee for common carriers licensed under section 340A.407 is:

11.6 (1) \$50 for ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages, and \$20 for a duplicate
 11.7 license; and

11.8 (2) \$250 for intoxicating liquor, and \$30 for a duplicate license.

11.9 Sec. 19. Minnesota Statutes 2020, section 340A.408, subdivision 5, is amended to read:

11.10 Subd. 5. **Refunds.** A pro rata share of an annual license fee for a retail license to sell
 11.11 intoxicating or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages, either on-sale or off-sale,
 11.12 may be refunded to the licensee or to the licensee's estate if:

11.13 (1) the business ceases to operate because of destruction or damage;

11.14 (2) the licensee dies;

11.15 (3) the business ceases to be lawful for a reason other than a license revocation; or

11.16 (4) the licensee ceases to carry on the licensed business under the license.

11.17 Sec. 20. Minnesota Statutes 2020, section 340A.409, subdivision 4, is amended to read:

11.18 Subd. 4. **Insurance not required.** Subdivision 1 does not apply to licensees who by
 11.19 affidavit establish that:

11.20 (1) they are on-sale ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage licensees with sales
 11.21 of less than ~~\$25,000~~ \$50,000 of ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages for the
 11.22 preceding year;

11.23 (2) they are off-sale ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage licensees with sales
 11.24 of less than ~~\$50,000~~ \$100,000 of ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages for the
 11.25 preceding year;

11.26 (3) they are holders of on-sale wine licenses with sales of less than \$25,000 for wine for
 11.27 the preceding year;

11.28 (4) they are holders of temporary wine licenses issued under law; or

11.29 (5) they are wholesalers who donate wine to an organization for a wine tasting conducted
 11.30 under section 340A.418 or 340A.419.

12.1 Sec. 21. Minnesota Statutes 2020, section 340A.410, subdivision 8, is amended to read:

12.2 Subd. 8. **Copy of summons.** Every application for the issuance or renewal of intoxicating
 12.3 or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage licenses must include a copy of each
 12.4 summons received by the applicant under section 340A.802 during the preceding year.

12.5 Sec. 22. Minnesota Statutes 2020, section 340A.411, is amended to read:

12.6 **340A.411 LICENSE RESTRICTIONS; ~~3.2~~ 5.5 PERCENT MALT LIQUOR**
 12.7 **ALCOHOLIC BEVERAGE LICENSES.**

12.8 Subdivision 1. **On-sale licenses.** On-sale ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage
 12.9 licenses may only be issued to drugstores, restaurants, hotels, clubs, bowling centers, golf
 12.10 courses, and establishments used exclusively for the sale of ~~3.2~~ 5.5 percent ~~malt liquor~~
 12.11 alcoholic beverages with the incidental sale of tobacco and soft drinks.

12.12 Subd. 2. **License duration.** All retail ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage
 12.13 licenses must be issued for one year, except that for the purpose of coordinating the time
 12.14 of expiration of licenses in general, licenses may be issued for a shorter time, in which case
 12.15 a pro rata license fee must be charged.

12.16 Subd. 3. **Terminology.** A political subdivision may not issue a ~~3.2~~ 5.5 percent ~~malt~~
 12.17 ~~liquor~~ alcoholic beverage license that includes the term "nonintoxicating liquor."

12.18 Sec. 23. Minnesota Statutes 2020, section 340A.412, subdivision 6, is amended to read:

12.19 Subd. 6. **Off-sale licenses where ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage is**
 12.20 **sold.** An off-sale intoxicating liquor license may not be issued to a place where ~~3.2~~ 5.5
 12.21 percent ~~malt liquor~~ alcoholic beverages is sold for consumption on the premises. This
 12.22 subdivision does not apply to those places where both an on-sale and off-sale license or a
 12.23 combination license have been issued under section 340A.406.

12.24 Sec. 24. Minnesota Statutes 2020, section 340A.414, subdivision 2, is amended to read:

12.25 Subd. 2. **Eligibility for permit.** (a) The commissioner may issue a permit under this
 12.26 section only to:

12.27 (1) an applicant who has not, within five years prior to the application, been convicted
 12.28 of a felony or of violating any provision of this chapter or rule adopted under this chapter;

12.29 (2) a restaurant;

12.30 (3) a hotel;

13.1 (4) an establishment licensed for the sale of ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic
 13.2 beverages;

13.3 (5) a resort as defined in section 157.15;

13.4 (6) a club as defined in section 340A.101, subdivision 7, or an unincorporated club
 13.5 otherwise meeting that definition; and

13.6 (7) a bed and breakfast facility as defined in section 340A.4011, subdivision 1.

13.7 (b) The commissioner may not issue a permit to a club holding an on-sale intoxicating
 13.8 liquor license.

13.9 Sec. 25. Minnesota Statutes 2020, section 340A.503, subdivision 1, is amended to read:

13.10 Subdivision 1. **Consumption.** (a) It is unlawful for any:

13.11 (1) retail intoxicating liquor or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage licensee,
 13.12 municipal liquor store, or bottle club permit holder under section 340A.414, to permit any
 13.13 person under the age of 21 years to drink alcoholic beverages on the licensed premises or
 13.14 within the municipal liquor store; or

13.15 (2) person under the age of 21 years to consume any alcoholic beverages. If proven by
 13.16 a preponderance of the evidence, it is an affirmative defense to a violation of this clause
 13.17 that the defendant consumed the alcoholic beverage in the household of the defendant's
 13.18 parent or guardian and with the consent of the parent or guardian.

13.19 (b) An offense under paragraph (a), clause (2), may be prosecuted either in the jurisdiction
 13.20 where consumption occurs or the jurisdiction where evidence of consumption is observed.

13.21 (c) As used in this subdivision, "consume" includes the ingestion of an alcoholic beverage
 13.22 and the physical condition of having ingested an alcoholic beverage.

13.23 Sec. 26. Minnesota Statutes 2020, section 340A.504, subdivision 1, is amended to read:

13.24 Subdivision 1. ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage. No sale of ~~3.2~~ 5.5
 13.25 percent ~~malt liquor~~ alcoholic beverages may be made between 2:00 a.m. and 8:00 a.m. on
 13.26 the days of Monday through Saturday, nor between 2:00 a.m. and 10:00 a.m. on Sunday.

13.27 Sec. 27. Minnesota Statutes 2020, section 340A.504, subdivision 6, is amended to read:

13.28 Subd. 6. **Municipalities may limit hours.** A municipality may further limit the days or
 13.29 hours of on and off sales of alcoholic beverages, provided that further restricted on-sale
 13.30 hours for intoxicating liquor must apply equally to on-sale hours of ~~3.2~~ 5.5 percent ~~malt~~

14.1 ~~liquor~~ alcoholic beverages. A city may not permit the sale of alcoholic beverages during
14.2 hours when the sale is prohibited by this section.

14.3 Sec. 28. Minnesota Statutes 2020, section 340A.504, subdivision 7, is amended to read:

14.4 Subd. 7. **Sales after 1:00 a.m.; permit fee.** (a) No licensee may sell intoxicating liquor
14.5 or ~~3-2 5.5 percent malt liquor~~ alcoholic beverages on-sale between the hours of 1:00 a.m.
14.6 and 2:00 a.m. unless the licensee has obtained a permit from the commissioner. Application
14.7 for the permit must be on a form the commissioner prescribes. Permits are effective for one
14.8 year from date of issuance. For retailers of intoxicating liquor, the fee for the permit is based
14.9 on the licensee's gross receipts from on-sales of alcoholic beverages in the 12 months prior
14.10 to the month in which the permit is issued, and is at the following rates:

14.11 (1) up to \$100,000 in gross receipts, \$300;

14.12 (2) over \$100,000 but not over \$500,000 in gross receipts, \$750; and

14.13 (3) over \$500,000 in gross receipts, \$1,000.

14.14 For a licensed retailer of intoxicating liquor who did not sell intoxicating liquor at on-sale
14.15 for a full 12 months prior to the month in which the permit is issued, the fee is \$200. For a
14.16 retailer of ~~3-2 5.5 percent malt liquor~~ alcoholic beverages, the fee is \$200.

14.17 (b) The commissioner shall deposit all permit fees received under this subdivision in
14.18 the alcohol enforcement account in the special revenue fund.

14.19 (c) Notwithstanding any law to the contrary, the commissioner of revenue may furnish
14.20 to the commissioner the information necessary to administer and enforce this subdivision.

14.21 Sec. 29. Minnesota Statutes 2020, section 340A.508, subdivision 2, is amended to read:

14.22 Subd. 2. **Tampering or diluting contents.** It is unlawful for a person holding a retail
14.23 intoxicating liquor license or a ~~3-2 5.5 percent malt liquor~~ alcoholic beverage license, directly
14.24 or indirectly through an agent, employee, or other person, to dilute or in any manner tamper
14.25 with the contents of an original package or bottle so as to change its composition or alcoholic
14.26 content while the contents are in the original package or bottle. Possession on the premises
14.27 by a licensee of alcoholic beverages in the original package or bottle, differing in composition
14.28 or alcoholic content from when it was received from the manufacturer or wholesaler from
14.29 whom it was purchased, is prima facie evidence that the contents of the original package
14.30 or bottle has been diluted, changed, or tampered with in violation of this section.

15.1 Sec. 30. **3.2 PERCENT MALT LIQUOR LICENSES.**

15.2 Notwithstanding any law to the contrary, by the effective date of this section, the license
 15.3 issuing authority shall issue to a person that is licensed, as of the effective date of this section,
 15.4 under Minnesota Statutes, section 340A.403, subdivision 1, for the off-sale or on-sale of
 15.5 3.2 percent malt liquor, a license for the off-sale or on-sale of alcoholic beverages containing
 15.6 not more than 5.5 percent of alcohol by weight. All other provisions of Minnesota Statutes,
 15.7 chapter 340A, not inconsistent with this section, apply to the issuance of a license under
 15.8 this section.

15.9 Sec. 31. **EFFECTIVE DATE.**

15.10 This article is effective

15.11 **ARTICLE 2**

15.12 **CONFORMING AMENDMENTS**

15.13 Section 1. Minnesota Statutes 2020, section 28A.16, is amended to read:

15.14 **28A.16 PERSONS SELLING LIQUOR.**

15.15 (a) The provisions of the Minnesota consolidated food licensing law, sections 28A.01
 15.16 to 28A.16 and acts amendatory thereto, shall not apply to persons licensed to sell ~~3.2~~ 5.5
 15.17 percent ~~malt liquor~~ alcoholic beverages "on-sale" as provided in section 340A.403, or to
 15.18 persons licensed to sell intoxicating liquors "on-sale" or "off-sale" as provided in sections
 15.19 340A.404 to 340A.407, provided that these persons sell only ice manufactured and packaged
 15.20 by another, or bottled or canned soft drinks and prepacked candy at retail.

15.21 (b) When an exclusive liquor store is not exempt under paragraph (a), the commissioner
 15.22 must exclude all gross sales of off-sale alcoholic beverages when determining the applicable
 15.23 license fee under section 28A.08, subdivision 3. For purposes of this paragraph, "exclusive
 15.24 liquor store" and "alcoholic beverage" have the meanings given in section 340A.101.

15.25 Sec. 2. Minnesota Statutes 2020, section 169A.35, subdivision 1, is amended to read:

15.26 Subdivision 1. **Definitions.** As used in this section:

15.27 (1) "alcoholic beverage" has the meaning given it in section 340A.101, subdivision 2;

15.28 (2) "distilled spirits" has the meaning given it in section 340A.101, subdivision 9;

15.29 (3) "motor vehicle" does not include motorboats in operation, or off-road recreational
 15.30 vehicles except when being operated on a roadway or shoulder of a roadway that is not part

16.1 of a grant-in-aid trail or trail designated for that vehicle by the commissioner of natural
16.2 resources;

16.3 (4) "possession" means either that the person had actual possession of the bottle or
16.4 receptacle or that the person consciously exercised dominion and control over the bottle or
16.5 receptacle; and

16.6 (5) "~~3.2~~ 5.5 percent malt liquor alcoholic beverage" has the meaning given it in section
16.7 340A.101, subdivision 19.

16.8 Sec. 3. Minnesota Statutes 2020, section 169A.35, subdivision 1a, is amended to read:

16.9 Subd. 1a. **Alcoholic beverage, distilled spirit, ~~3.2~~ 5.5 malt liquor alcoholic beverage;**
16.10 **determination.** For purposes of this section only, when determining whether a beverage is
16.11 an alcoholic beverage, a distilled spirit, or ~~3.2~~ 5.5 percent malt liquor alcoholic beverage:

16.12 (1) "alcohol by volume" means milliliters of alcohol per 100 milliliters of beverage; and

16.13 (2) "alcohol by weight" means grams of alcohol per 100 grams of beverage.

16.14 Sec. 4. Minnesota Statutes 2020, section 169A.35, subdivision 2, is amended to read:

16.15 Subd. 2. **Drinking and consumption; crime described.** It is a crime for a person to
16.16 drink or consume an alcoholic beverage, distilled spirit, or ~~3.2~~ 5.5 percent malt liquor
16.17 alcoholic beverage in a motor vehicle when the vehicle is upon a street or highway.

16.18 Sec. 5. Minnesota Statutes 2020, section 169A.35, subdivision 3, is amended to read:

16.19 Subd. 3. **Possession; crime described.** It is a crime for a person to have in possession,
16.20 while in a private motor vehicle upon a street or highway, any bottle or receptacle containing
16.21 an alcoholic beverage, distilled spirit, or ~~3.2~~ 5.5 percent malt liquor alcoholic beverage that
16.22 has been opened, or the seal broken, or the contents of which have been partially removed.

16.23 Sec. 6. Minnesota Statutes 2020, section 169A.35, subdivision 4, is amended to read:

16.24 Subd. 4. **Liability of nonpresent owner; crime described.** It is a crime for the owner
16.25 of any private motor vehicle or the driver, if the owner is not present in the motor vehicle,
16.26 to keep or allow to be kept in a motor vehicle when the vehicle is upon a street or highway
16.27 any bottle or receptacle containing an alcoholic beverage, distilled spirit, or ~~3.2~~ 5.5 percent
16.28 malt liquor alcoholic beverage that has been opened, or the seal broken, or the contents of
16.29 which have been partially removed.

17.1 Sec. 7. Minnesota Statutes 2020, section 181A.115, is amended to read:

17.2 **181A.115 PROHIBITED EMPLOYMENT RELATING TO PRESENCE OF**
 17.3 **LIQUOR.**

17.4 No minor under the age of 18 shall be employed in any rooms constituting the place in
 17.5 which intoxicating liquors or ~~3.2~~ 5.5 percent ~~malt liquors~~ alcoholic beverages are served or
 17.6 consumed or in any tasks involving the serving, dispensing, or handling of such liquors that
 17.7 are consumed on the premises except that:

17.8 (1) minors who have reached the age of 16 may be employed to perform busing,
 17.9 dishwashing, or hosting services in those rooms or areas of a restaurant, hotel, motel, or
 17.10 resort where the presence of intoxicating liquor is incidental to food service or preparation;

17.11 (2) minors who have reached the age of 16 may be employed to perform busing,
 17.12 dishwashing, or hosting services or to provide waiter or waitress service in rooms or areas
 17.13 where the presence of ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages is incidental to food
 17.14 service or preparation;

17.15 (3) minors who have reached the age of 16 may be employed to provide musical
 17.16 entertainment in those rooms or areas where the presence of intoxicating liquor and ~~3.2~~ 5.5
 17.17 percent ~~malt liquor~~ alcoholic beverages is incidental to food service or preparation; and

17.18 (4) minors are not prevented from working at tasks which are not prohibited by law in
 17.19 establishments where liquor is sold, served, dispensed, or handled in those rooms or areas
 17.20 where no liquor is consumed or served.

17.21 Sec. 8. Minnesota Statutes 2020, section 182.651, subdivision 18, is amended to read:

17.22 Subd. 18. **Hazardous substance exclusions.** (a) The following substances or mixtures
 17.23 are not hazardous substances if they are:

17.24 (1) products intended for personal consumption by employees in the workplace;

17.25 (2) consumer products packaged for distribution to, and used by, the general public,
 17.26 including any product used by an employer or the employer's employees in the same form,
 17.27 concentration, and manner as it is sold to consumers, and to the employer's knowledge,
 17.28 employee exposure is not significantly greater than the consumer exposure occurring during
 17.29 principal consumer use of the product;

17.30 (3) any article, including but not limited to, an item of equipment or hardware, which
 17.31 contains a hazardous substance, if the substance is present in a solid form which does not
 17.32 create a health hazard as a result of being handled by an employee;

18.1 (4) any hazardous substance that is bound and not released under normal conditions of
18.2 work or in a reasonably foreseeable occurrence resulting from workplace operations;

18.3 (5) products sold or used in retail food sale establishments and all other retail trade
18.4 establishments, exclusive of processing and repair work areas;

18.5 (6) "intoxicating liquor" as defined in section 340A.101, subdivision 14, or "~~3.2~~ 5.5
18.6 percent ~~malt liquor~~ alcoholic beverage" as defined in section 340A.101, subdivision 19;

18.7 (7) "food" as defined in the Federal Food, Drug, and Cosmetic Act, United States Code,
18.8 title 27, section 321, et seq.; or

18.9 (8) any waste material regulated pursuant to the federal Resource Conservation and
18.10 Recovery Act, Public Law 94-580, but only with respect to any employer in a business
18.11 which provides a service of collection, processing, or disposal of such waste.

18.12 (b) The commissioner may, by inclusion in the standards adopted pursuant to section
18.13 182.655, determine whether any of the following may be excluded from the definitions of
18.14 hazardous substance or harmful physical agent:

18.15 (1) waste products labeled pursuant to the Resource Conservation and Recovery Act;

18.16 (2) any substance received by an employee in a sealed package and subsequently sold
18.17 or transferred in that package, if the seal remains intact while the substance is in the
18.18 employer's workplace; or

18.19 (3) any substance, mixture, or product if present in a physical state, volume, or
18.20 concentration for which there is no valid and substantial evidence that a significant risk to
18.21 human health may occur from exposure.

18.22 Sec. 9. Minnesota Statutes 2020, section 204C.06, subdivision 7, is amended to read:

18.23 Subd. 7. **Use of intoxicating liquor; prohibition; penalty.** During the time an election
18.24 is being held it is a misdemeanor to bring intoxicating liquor or ~~3.2~~ 5.5 percent ~~malt liquor~~
18.25 alcoholic beverages into a polling place, to drink intoxicating liquor or ~~3.2~~ 5.5 percent ~~malt~~
18.26 ~~liquor~~ alcoholic beverages in a polling place, or to be intoxicated in a polling place. The
18.27 election judges shall not permit an obviously intoxicated individual to vote or remain in the
18.28 polling place for any purpose.

19.1 Sec. 10. Minnesota Statutes 2020, section 270C.725, subdivision 3, is amended to read:

19.2 Subd. 3. **Penalty.** A wholesaler, manufacturer, or brewer of intoxicating liquor or ~~3.2~~
 19.3 5.5 percent malt liquor alcoholic beverages who violates subdivision 2 is subject to the
 19.4 penalties provided in section 340A.304.

19.5 Sec. 11. Minnesota Statutes 2020, section 295.75, subdivision 1, is amended to read:

19.6 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
 19.7 the meanings given.

19.8 (b) "Commissioner" means the commissioner of revenue.

19.9 (c) "Gross receipts" means the total amount received, in money or by barter or exchange,
 19.10 for all liquor sales at retail as measured by the sales price, but does not include any taxes
 19.11 imposed directly on the consumer that are separately stated on the invoice, bill of sale, or
 19.12 similar document given to the purchaser.

19.13 (d) "Liquor" means:

19.14 (1) intoxicating liquor, as defined in section 340A.101, subdivision 14;

19.15 (2) beverage containing intoxicating liquor; and

19.16 (3) ~~3.2~~ 5.5 percent malt liquor alcoholic beverage, as defined in section 340A.101,
 19.17 subdivision 19, when sold at an on-sale or off-sale municipal liquor store or other
 19.18 establishment licensed to sell any type of intoxicating liquor.

19.19 (e) "Liquor retailer" means a retailer that sells liquor.

19.20 (f) "Retail sale" has the meaning given in section 297A.61, subdivision 4.

19.21 Sec. 12. Minnesota Statutes 2020, section 297G.01, subdivision 10, is amended to read:

19.22 Subd. 10. **Intoxicating liquor.** "Intoxicating liquor" is ethyl alcohol, distilled spirits,
 19.23 fermented, spirituous, vinous, and fermented malt beverages containing more than ~~3.2~~ 5.5
 19.24 percent of alcohol by weight.

19.25 Sec. 13. Minnesota Statutes 2020, section 297G.01, subdivision 18, is amended to read:

19.26 Subd. 18. ~~3.2~~ 5.5 percent malt liquor alcoholic beverage. "~~3.2~~ 5.5 percent malt liquor
 19.27 alcoholic beverage" is a fermented malt beverage containing not less than one-half of one
 19.28 percent alcohol by volume nor more than ~~3.2~~ percent alcohol by weight has the meaning
 19.29 given in section 340A.101, subdivision 19.

20.1 Sec. 14. Minnesota Statutes 2020, section 297G.01, subdivision 21, is amended to read:

20.2 Subd. 21. **Low-alcohol dairy cocktail.** "Low-alcohol dairy cocktail" means a premixed
20.3 cocktail, or any other product except liqueur-filled candy, that:

20.4 (1) consists primarily of milk products;

20.5 (2) contains distilled spirits;

20.6 (3) is drinkable as a beverage or is promoted as an alcoholic product; and

20.7 (4) contains less than ~~3.2~~ 5.5 percent alcohol by volume.

20.8 Sec. 15. Minnesota Statutes 2020, section 297G.04, subdivision 1, is amended to read:

20.9 Subdivision 1. **Tax imposed.** The following excise tax is imposed on all fermented malt
20.10 beverages that are imported, directly or indirectly sold, or possessed in this state:

20.11 (1) on fermented malt beverages containing not more than ~~3.2~~ 5.5 percent alcohol by
20.12 weight, \$2.40 per 31-gallon barrel; and

20.13 (2) on fermented malt beverages containing more than ~~3.2~~ 5.5 percent alcohol by weight,
20.14 \$4.60 per 31-gallon barrel.

20.15 For fractions of a 31-gallon barrel, the tax rate is calculated proportionally.

20.16 Sec. 16. Minnesota Statutes 2020, section 349.12, subdivision 3c, is amended to read:

20.17 Subd. 3c. **Bar bingo.** "Bar bingo" is a bingo occasion conducted at a permitted premises
20.18 in an area where on-sale intoxicating liquor or on-sale ~~3.2~~ 5.5 percent ~~malt~~ alcoholic
20.19 beverages are sold and where a licensed organization conducts another form of lawful
20.20 gambling and consents to the conduct of bar bingo on the premises. Bar bingo does not
20.21 include bingo games linked to other permitted premises.

20.22 Sec. 17. Minnesota Statutes 2020, section 349.17, subdivision 7, is amended to read:

20.23 Subd. 7. **Bar bingo.** An organization may conduct bar bingo subject to the following
20.24 restrictions:

20.25 (1) the bingo is conducted at a site the organization owns or leases and which has a
20.26 license for the on-sale of intoxicating beverages on the premises under chapter 340A or
20.27 where on-sale ~~3.2~~ 5.5 percent ~~malt~~ alcoholic beverages are sold; and

20.28 (2) the bingo is conducted using only bingo paper sheets or facsimiles of bingo paper
20.29 sheets purchased from a licensed distributor or licensed linked bingo game provider.

21.1 Sec. 18. Minnesota Statutes 2020, section 349.17, subdivision 9, is amended to read:

21.2 Subd. 9. **Linked bingo games played exclusively on electronic bingo devices.** In
21.3 addition to the requirements of subdivision 8, the following requirements and restrictions
21.4 apply when linked bingo games are played exclusively on electronic bingo devices.

21.5 (a) The permitted premises must be:

21.6 (1) a premises licensed for the on-sale of intoxicating liquor or on-sale ~~3-2~~ 5.5 percent
21.7 ~~malt~~ alcoholic beverages; or

21.8 (2) a premises where bingo is conducted as the primary business and has a seating
21.9 capacity of at least 100.

21.10 (b) The number of electronic bingo devices is limited to:

21.11 (1) no more than six devices in play for permitted premises with 200 seats or less;

21.12 (2) no more than 12 devices in play for permitted premises with 201 seats or more; and

21.13 (3) no more than 50 devices in play for permitted premises where bingo is the primary
21.14 business.

21.15 Seating capacity is determined as specified under the local fire code.

21.16 (c) Prior to a bingo occasion, the linked bingo game provider, on behalf of the
21.17 participating organizations, must provide to the board a bingo program in a format prescribed
21.18 by the board.

21.19 (d) Before participating in the play of a linked bingo game, a player must present a valid
21.20 picture identification card that includes the player's date of birth. Except for prize receipts
21.21 required by section 349.19, subdivision 10, an organization is not required to register or
21.22 retain any information contained on the player's picture identification card.

21.23 (e) A licensed organization must require each person cashing out an electronic linked
21.24 bingo device with \$600 or more in credits to present identification in the form of a driver's
21.25 license, Minnesota identification card, or other identification the board deems sufficient to
21.26 allow the identification and tracking of the winner. The organization must retain the winner's
21.27 identification in the form of a prize receipt for 3-1/2 years. A prize receipt for electronic
21.28 linked bingo must include the same information as is required in board rules for a paper
21.29 pull-tab game prize receipt.

21.30 (f) Except for prize receipts required by paragraph (e), an organization is not required
21.31 to register or retain any information contained on the player's picture identification card.

22.1 (g) An organization may remove from play a device that a player has not maintained in
 22.2 an activated mode for a specified period of time determined by the organization. The
 22.3 organization must provide the notice in its house rules.

22.4 Sec. 19. Minnesota Statutes 2020, section 349.1721, subdivision 3, is amended to read:

22.5 Subd. 3. **Pull-tab dispensing device location restrictions and requirements.** The
 22.6 following pertain to pull-tab dispensing devices as defined under section 349.12, subdivision
 22.7 32a.

22.8 (a) The use of any pull-tab dispensing device must be at a permitted premises which is:

22.9 (1) a licensed premises for on-sale of intoxicating liquor or ~~3-2~~ 5.5 percent ~~malt~~ alcoholic
 22.10 beverages;

22.11 (2) a premises where bingo is conducted as the primary business; or

22.12 (3) an establishment licensed for the off-sale of intoxicating liquor, other than drug stores
 22.13 and general food stores licensed under section 340A.405, subdivision 1.

22.14 (b) The number of pull-tab dispensing devices located at any permitted premises is
 22.15 limited to three.

22.16 Sec. 20. Minnesota Statutes 2020, section 349.1721, subdivision 4, is amended to read:

22.17 Subd. 4. **Electronic pull-tab device requirements and restrictions.** The following
 22.18 pertain to the use of electronic pull-tab devices as defined under section 349.12, subdivision
 22.19 12b.

22.20 (a) The use of any electronic pull-tab device may only be at a permitted premises that
 22.21 is:

22.22 (1) a premises licensed for the on-sale of intoxicating liquor or on-sale ~~3-2~~ 5.5 percent
 22.23 ~~malt~~ alcoholic beverages; or

22.24 (2) a premises where bingo is conducted as the primary business and has a seating
 22.25 capacity of at least 100; and

22.26 (3) where a licensed organization sells paper pull-tabs and consents to the conduct of
 22.27 electronic pull-tab devices on the premises.

22.28 (b) The number of electronic pull-tab devices is limited to:

22.29 (1) no more than six devices in play at any permitted premises with 200 seats or less;

23.1 (2) no more than 12 devices in play at any permitted premises with 201 seats or more;
23.2 and

23.3 (3) no more than 50 devices in play at any permitted premises where the primary business
23.4 is bingo.

23.5 Seating capacity is determined as specified under the local fire code.

23.6 (c) The hours of operation for the devices are limited to 8:00 a.m. to 2:00 a.m.

23.7 (d) All electronic pull-tab games must be sold and played on the permitted premises and
23.8 may not be linked to other permitted premises.

23.9 (e) Electronic pull-tab games may not be transferred electronically or otherwise to any
23.10 other location by the licensed organization.

23.11 (f) Electronic pull-tab games may be commingled if the games are from the same family
23.12 of games and manufacturer and contain the same game name, form number, type of game,
23.13 ticket count, prize amounts, and prize denominations. Each commingled game must have
23.14 a unique serial number.

23.15 (g) An organization may remove from play a device that a player has not maintained in
23.16 an activated mode for a specified period of time determined by the organization. The
23.17 organization must provide the notice in its house rules.

23.18 (h) Before participating in the play of an electronic pull-tab game, a player must present
23.19 a valid picture identification card that includes the player's date of birth. Except for prize
23.20 receipts required by section 349.19, subdivision 10, an organization is not required to register
23.21 or retain any information contained on the player's picture identification card.

23.22 (i) A licensed organization must require each person cashing out an electronic pull-tab
23.23 device with \$600 or more in credits to present identification in the form of a driver's license,
23.24 Minnesota identification card, or other identification the board deems sufficient to allow
23.25 the identification and tracking of the winner. The organization must retain the winner's
23.26 identification in the form of a prize receipt for 3-1/2 years. A prize receipt for electronic
23.27 pull-tabs must include the same information as is required in board rules for a paper pull-tab
23.28 game prize receipt.

23.29 (j) Except for prize receipts required by paragraph (i), an organization is not required to
23.30 register or retain any information contained on the player's picture identification card.

23.31 (k) Each player is limited to the use of one device at a time.

24.1 Sec. 21. Minnesota Statutes 2020, section 609.33, subdivision 1, is amended to read:

24.2 Subdivision 1. **Definition.** For the purpose of this section, "disorderly house" means a
24.3 building, dwelling, place, establishment, or premises in which actions or conduct habitually
24.4 occur in violation of laws relating to:

24.5 (1) the sale of intoxicating liquor or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverage;

24.6 (2) gambling;

24.7 (3) prostitution as defined in section 609.321, subdivision 9, or acts relating to
24.8 prostitution; or

24.9 (4) the sale or possession of controlled substances as defined in section 152.01,
24.10 subdivision 4.

24.11 Sec. 22. Minnesota Statutes 2020, section 609.33, subdivision 4, is amended to read:

24.12 Subd. 4. **Evidence.** Evidence of unlawful sales of intoxicating liquor or ~~3.2~~ 5.5 percent
24.13 ~~malt liquor~~ alcoholic beverages, of unlawful possession or sale of controlled substances, of
24.14 prostitution or acts relating to prostitution, or of gambling or acts relating to gambling, is
24.15 prima facie evidence of the existence of a disorderly house. Evidence of sales of intoxicating
24.16 liquor or ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages between the hours of 1:00 a.m.
24.17 and 8:00 a.m., while a person is within a disorderly house, is prima facie evidence that the
24.18 person knew it to be a disorderly house.

24.19 Sec. 23. Minnesota Statutes 2020, section 624.701, subdivision 1a, is amended to read:

24.20 Subd. 1a. **Exceptions.** Subdivision 1 does not apply to the following:

24.21 (1) experiments in laboratories;

24.22 (2) a person who has been issued a temporary license to sell ~~3.2~~ 5.5 percent ~~malt liquor~~
24.23 alcoholic beverages under section 340A.403, subdivision 2, or intoxicating liquor under
24.24 section 340A.404, subdivision 10; or

24.25 (3) a person possessing ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages or intoxicating
24.26 liquor as a result of a purchase from a person or organization holding a temporary license
24.27 under section 340A.403, subdivision 2, or 340A.404, subdivision 10.

24.28 Sec. 24. Minnesota Statutes 2020, section 624.731, subdivision 5, is amended to read:

24.29 Subd. 5. **Prohibited sale.** Except as permitted by subdivision 6, no person shall knowingly
24.30 furnish or sell tear gas or a tear gas compound to another person. No person shall knowingly

25.1 furnish or sell an authorized tear gas compound or an electronic incapacitation device to a
 25.2 person prohibited from possessing it by subdivision 3. No person shall knowingly furnish
 25.3 or sell an authorized tear gas compound or an electronic incapacitation device which fails
 25.4 to meet the requirements of subdivision 2. No tear gas, tear gas compound, authorized tear
 25.5 gas compound, or electronic incapacitation device shall be sold or furnished on premises
 25.6 where ~~3.2~~ 5.5 percent ~~malt liquor~~ alcoholic beverages as defined in section 340A.101,
 25.7 subdivision 19, is sold on an on-sale basis or where intoxicating liquor as defined in section
 25.8 340A.101, subdivision 13, is sold on an on-sale or off-sale basis. No person shall sell tear
 25.9 gas, a tear gas compound, authorized tear gas compound, or electronic incapacitation device
 25.10 in violation of local licensing requirements.

25.11 Sec. 25. Minnesota Statutes 2020, section 624.731, subdivision 8, is amended to read:

25.12 Subd. 8. **Penalties.** (a) The following violations of this section shall be considered a
 25.13 felony:

25.14 (1) The possession or use of tear gas, a tear gas compound, an authorized tear gas
 25.15 compound, or an electronic incapacitation device by a person specified in subdivision 3,
 25.16 paragraph (b).

25.17 (2) Knowingly selling or furnishing of tear gas, a tear gas compound, an authorized tear
 25.18 gas compound, or an electronic incapacitation device to a person specified in subdivision
 25.19 3, paragraph (b).

25.20 (3) The use of an electronic incapacitation device as prohibited in subdivision 4, paragraph
 25.21 (a).

25.22 (4) The use of tear gas or a tear gas compound as prohibited in subdivision 4, paragraph
 25.23 (d).

25.24 (b) The following violations of this section shall be considered a gross misdemeanor:

25.25 (1) the prohibited use of tear gas, a tear gas compound, or an authorized tear gas compound
 25.26 as specified in subdivision 4, paragraph (a); (2) the use of an electronic incapacitation device
 25.27 except as allowed by subdivision 2 or 6.

25.28 (c) The following violations of this section shall be considered a misdemeanor:

25.29 (1) The possession or use of tear gas, a tear gas compound, an authorized tear gas
 25.30 compound, or an electronic incapacitation device which fails to meet the requirements of
 25.31 subdivision 2 by any person except as allowed by subdivision 6.

26.1 (2) The possession or use of an authorized tear gas compound or an electronic
26.2 incapacitation device by a person specified in subdivision 3, paragraph (a) or (c).

26.3 (3) The use of tear gas, a tear gas compound, or an authorized tear gas compound except
26.4 as allowed by subdivision 2 or 6.

26.5 (4) Knowingly selling or furnishing an authorized tear gas compound or an electronic
26.6 incapacitation device to a person specified in subdivision 3, paragraph (a) or (c).

26.7 (5) Selling or furnishing of tear gas or a tear gas compound other than an authorized tear
26.8 gas compound to any person except as allowed by subdivision 6.

26.9 (6) Selling or furnishing of an authorized tear gas compound or an electronic
26.10 incapacitation device on premises where intoxicating liquor is sold on an on-sale or off-sale
26.11 basis or where ~~3.2~~ 5.5 percent ~~malt liquor is~~ alcoholic beverages are sold on an on-sale
26.12 basis.

26.13 (7) Selling an authorized tear gas compound or an electronic incapacitation device in
26.14 violation of local licensing requirements.

26.15 Sec. 26. **EFFECTIVE DATE.**

26.16 This article is effective