

1.1 A bill for an act

1.2 relating to liquor; eliminating distinctions between brewpubs and other small  
1.3 brewers in law; allowing brewpubs and other small brewers to make on-sales  
1.4 and off-sales of their products and sell the products at wholesale; amending  
1.5 Minnesota Statutes 2006, section 340A.301, subdivisions 1, 6, 7.

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

1.7 Section 1. Minnesota Statutes 2006, section 340A.301, subdivision 1, is amended to  
1.8 read:

1.9 Subdivision 1. **Licenses required.** No person may directly or indirectly manufacture  
1.10 or sell at wholesale intoxicating liquor, or 3.2 percent malt liquor without obtaining an  
1.11 appropriate license from the commissioner, except where otherwise provided in this  
1.12 chapter. A manufacturer's license includes the right to import. Except as provided in  
1.13 subdivision 7, paragraph (b), a licensed brewer may sell the brewer's products at wholesale  
1.14 only if the brewer has been issued a wholesaler's license. The commissioner shall issue  
1.15 a wholesaler's license to a brewer only if (1) the commissioner determines that the  
1.16 brewer was selling the brewer's own products at wholesale in Minnesota on January 1,  
1.17 1991, or (2) the brewer has acquired a wholesaler's business or assets under subdivision  
1.18 7a, paragraph (c) or (d). A licensed wholesaler of intoxicating malt liquor may sell 3.2  
1.19 percent malt liquor at wholesale without an additional license.

1.20 Sec. 2. Minnesota Statutes 2006, section 340A.301, subdivision 6, is amended to read:

1.21 Subd. 6. **Fees.** The annual fees for licenses under this section are as follows:

1.22 (a) Manufacturers (except as provided in clauses	
1.23 (b) and (c))	\$ 30,000
1.24 Duplicates	\$ 3,000

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2.1	(b) Manufacturers of wines of not more than 25	
2.2	percent alcohol by volume	\$ 500
2.3	(c) Brewers who manufacture more than 3,500	
2.4	barrels of malt liquor in a year	\$ 4,000
2.5	(d) Brewers who <del>also hold one or more retail</del>	
2.6	<del>on-sale licenses and who manufacture fewer</del>	
2.7	<del>than 3,500 or fewer</del> barrels of malt liquor in a	
2.8	<del>year, at any one licensed premises, the entire</del>	
2.9	<del>production of which is solely for consumption</del>	
2.10	<del>on tap on any licensed premises owned by the</del>	
2.11	<del>brewer, or for off-sale from those licensed</del>	
2.12	<del>premises as permitted in subdivision 7. A</del>	
2.13	brewer licensed under this clause must obtain	
2.14	a separate license for each licensed premises	
2.15	where the brewer brews malt liquor. A brewer	
2.16	licensed under this clause may not be licensed	
2.17	as an importer under this chapter	\$ 500
2.18	(e) Wholesalers (except as provided in clauses	
2.19	(f), (g), and (h))	\$ 15,000
2.20	Duplicates	\$ 3,000
2.21	(f) Wholesalers of wines of not more than 25	
2.22	percent alcohol by volume	\$ 3,750
2.23	(g) Wholesalers of intoxicating malt liquor	\$ 1,000
2.24	Duplicates	\$ 25
2.25	(h) Wholesalers of 3.2 percent malt liquor	\$ 10
2.26	<del>(i) Brewers who manufacture fewer than 2,000</del>	
2.27	<del>barrels of malt liquor in a year</del>	\$ <del>150</del>
2.28	<del>(j) Brewers who manufacture 2,000 to 3,500</del>	
2.29	<del>barrels of malt liquor in a year</del>	\$ <del>500</del>

2.30 If a business licensed under this section is destroyed, or damaged to the extent that  
 2.31 it cannot be carried on, or if it ceases because of the death or illness of the licensee, the  
 2.32 commissioner may refund the license fee for the balance of the license period to the  
 2.33 licensee or to the licensee's estate.

2.34 Sec. 3. Minnesota Statutes 2006, section 340A.301, subdivision 7, is amended to read:

2.35 Subd. 7. **Interest in other business.** (a) Except as provided in this subdivision,  
 2.36 a holder of a license as a manufacturer, brewer, importer, or wholesaler may not have  
 2.37 any ownership, in whole or in part, in a business holding a retail intoxicating liquor or  
 2.38 3.2 percent malt liquor license. The commissioner may not issue a license under this  
 2.39 section to a manufacturer, brewer, importer, or wholesaler if a retailer of intoxicating  
 2.40 liquor has a direct or indirect interest in the manufacturer, brewer, importer, or wholesaler.  
 2.41 A manufacturer or wholesaler of intoxicating liquor may use or have property rented  
 2.42 for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the

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3.1 property continuously since November 1, 1933. A retailer of intoxicating liquor may not  
3.2 use or have property rented for the manufacture or wholesaling of intoxicating liquor.

3.3 (b) A brewer licensed under subdivision 6, clause (d), may be issued an on-sale  
3.4 intoxicating liquor or 3.2 percent malt liquor license by a municipality for a restaurant  
3.5 operated in the place of manufacture. Notwithstanding section 340A.405, a brewer  
3.6 ~~who holds an on-sale license issued pursuant to this paragraph or a brewer who~~  
3.7 ~~manufactures fewer than 3,500 barrels of malt liquor in a year may, with the approval of~~  
3.8 ~~the commissioner,~~ licensed under subdivision 6, clause (d), may be issued a license by a  
3.9 municipality for off-sale of malt liquor produced and packaged on the licensed premises.  
3.10 Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor  
3.11 stores in the jurisdiction in which the brewer is located, and the malt liquor sold off-sale  
3.12 must be removed from the premises before the applicable off-sale closing time at exclusive  
3.13 liquor stores. ~~The malt liquor shall be packaged in 64-ounce containers commonly known~~  
3.14 ~~as "growlers." The containers shall bear a twist-type closure, cork, stopper, or plug. At the~~  
3.15 ~~time of the sale, a paper or plastic adhesive band, strip, or sleeve shall be applied to the~~  
3.16 ~~container and extend over the top of the twist-type closure, cork, stopper, or plug forming~~  
3.17 ~~a seal that must be broken upon opening of the container. The adhesive band, strip, or~~  
3.18 ~~sleeve shall bear the name and address of the brewer. The containers shall be identified as~~  
3.19 ~~malt liquor, contain the name of the malt liquor, bear the name and address of the brewer~~  
3.20 ~~selling the malt liquor, and shall be considered intoxicating liquor unless the alcoholic~~  
3.21 ~~content is labeled as otherwise in accordance with the provisions of Minnesota Rules,~~  
3.22 ~~part 7515.1100. A brewer's total retail sales at on- or off-sale under this paragraph may~~  
3.23 ~~not exceed 3,500 barrels per year, provided that off-sales may not total more than 500~~  
3.24 ~~barrels.~~ A brewer licensed under subdivision 6, clause (d), may sell its own products at  
3.25 wholesale without a wholesaler's license. A brewer licensed under subdivision 6, clause  
3.26 (d), may hold or have an interest in other retail on-sale licenses, but may not have an  
3.27 ownership interest in whole or in part, or be an officer, director, agent, or employee of,  
3.28 any other manufacturer, brewer, importer, or wholesaler, or be an affiliate thereof whether  
3.29 the affiliation is corporate or by management, direction, or control. Notwithstanding  
3.30 this prohibition, a brewer licensed under subdivision 6, clause (d), may be an affiliate  
3.31 or subsidiary company of a brewer licensed in Minnesota or elsewhere if that brewer's  
3.32 only manufacture of malt liquor is:

3.33 (i) manufacture licensed under subdivision 6, clause (d);

3.34 (ii) manufacture in another state for consumption exclusively in a restaurant located  
3.35 in the place of manufacture; or

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4.1 (iii) manufacture in another state for consumption primarily in a restaurant located  
4.2 in or immediately adjacent to the place of manufacture if the brewer was licensed under  
4.3 subdivision 6, clause (d), on January 1, 1995.

4.4 (c) Except as provided in subdivision 7a, no brewer as defined in subdivision 7a or  
4.5 importer may have any interest, in whole or in part, directly or indirectly, in the license,  
4.6 business, assets, or corporate stock of a licensed malt liquor wholesaler.