



## Legislation Details (With Text)

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**Title:** AN ORDINANCE AMENDING SECTIONS 8-13, 8-17, 8-18, 8-20, 8-31, 8-41 AND 8-44 OF THE DULUTH CITY CODE REGARDING SALE OF ALCOHOLIC BEVERAGES.

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AN ORDINANCE AMENDING SECTIONS 8-13, 8-17, 8-18, 8-20, 8-31, 8-41 AND 8-44 OF THE DULUTH CITY CODE REGARDING SALE OF ALCOHOLIC BEVERAGES.

### CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That Section 8-13 of the Duluth City Code is hereby amended as follows:

Sec. 8-13. Definitions.

For the purposes of this Division, the following words and phrases shall have the meanings respectively ascribed to them by this Section:

- (a) Alcoholic beverage. Any beverage containing more than one-half of one percent alcohol by volume;
- ~~(b) (a)~~ At retail. Such term means for use or consumption by the purchaser and not for resale;
- ~~(c) (b)~~ Bed and breakfast establishment. Any bed and breakfast inn authorized by Section 50-35 of this Code or other residential, owner occupied, historically or architecturally unique, overnight lodging facility that serves meals to its guests and which is authorized or allowed by local law and is found by the alcoholic beverage board to be the functional equivalent of a bed and breakfast inn;
- (d) Beer. Any beverage meeting the definition of malt liquor under this section;
- (e) Brewpub. A brewer who also holds one or more retail on-sale licenses and who manufactures fewer than 3,500 barrels of malt liquor in a year, at any one licensed premises, the entire production of which is solely for consumption on tap on any licensed premises owned by the brewer, or for off-sale from those licensed premises as permitted in Minnesota Statutes 340A.24, Subdivision 2;
- (f) Brewer. A person who manufactures malt liquor for sale;
- ~~(g) (c)~~ Club. Any incorporated organization ~~corporation~~ duly organized under the laws of the state for civic, fraternal, social or business purposes, or for intellectual improvement, or for the promotion of sports, or a congressionally chartered veterans' organization which shall have more than ~~50~~ 30 members and which shall, for more than a year, have owned, hired or leased a building or space in a building of such

extent and character as may be suitable and adequate for the reasonable and comfortable accommodation of its members, whose affairs and management are conducted by a board of directors, executive committee or other similar body chosen by the members at a meeting held for that purpose, none of whose members, officers, agents or employees is paid directly or indirectly any compensation by way of profit from the distribution or sale of beverages to the members of the club, or to its guests, beyond the amount of such reasonable salary or wages as may be fixed and voted each year by the directors or other governing body;

- (h) Distilled spirits manufacturer. A distillery operated within the state producing distilled spirits in a total quantity exceeding the state proof gallons limit for a microdistillery in a calendar year;
- (i) ~~(d)~~ Exclusive liquor store. An establishment used exclusively for the off-sale sale of alcoholic beverages, including intoxicating liquor, for consumption off or away from the licensed premises where sold, and the sale of ice, soft drinks and cigarettes and other items permitted pursuant to Minnesota Statutes Section 340A.412, Subdivision 14;
- (j) ~~(e)~~ Fortified Wine. Wine to which brandy, or neutral grape spirits has been added during or after fermentation resulting in a beverage containing not less than one-half of one percent nor more than 24 percent alcohol by volume for nonindustrial use.
- (k) ~~(f)~~ Hotel. Any establishment having a resident proprietor or manager, where, in consideration of payment therefor, food and lodging are regularly furnished to transients, which maintains not less than 50 guest rooms with bedding and other suitable and necessary furnishings in each room, which is provided with a suitable lobby, desk and office for the registration of its guests at the main entrance and on the ground floor, which employs an adequate staff to provide suitable and the usual service and which maintains, under the same management and control as the rest of the establishment and has as an integral part thereof, a dining room with appropriate facilities for seating not less than 30 guests at one time and where the general public is, in consideration of payment therefor, served with meals at tables;
- (l) ~~(g)~~ Intoxicating liquor. Ethyl alcohol and distilled, fermented, spirituous, vinous and malt beverages containing in excess of 3.2 percent of alcohol by weight;
- (m) Licensed premises. The premises described in the approved license application, subject to the provisions of Minnesota Statutes Section 340A.410, Subdivision 7. In the case of a restaurant, club, or exclusive liquor store licensed for on-sale of alcoholic beverages and located on a golf course, "licensed premises" means the entire golf course except for areas where motor vehicles are regularly parked or operated.
- ~~(h) Manufacturer. Every person who, by any process of manufacture, fermenting, brewing, distilling, refining, rectifying, blending or by the combination of different materials, prepares or produces intoxicating liquors for sale;~~
- (n) ~~(i)~~ Malt liquor. Any beer, ale or other beverage made from malt by fermentation, or by the fermentation of malt substitutes, including rice, grain of any kind, glucose, sugar, molasses, or other malt substitute that has not undergone distillation, and containing that contains not less than one-half of one percent alcohol by volume; "Beer" means any beverage meeting the definition of malt liquor under this section;
- (o) Manufacturer. A person who, by a process of manufacture, fermenting, brewing, distilling, refining, rectifying, blending, or by the combination of different materials, prepares or produces intoxicating liquor for sale.
- (p) Microdistillery. A distillery operated within the state producing premium, distilled spirits in total quantity not to exceed 40,000 proof gallons in a calendar year.
- (q) ~~(j)~~ Theater. A building containing an auditorium in which live dramatic, musical, dance or literary performances are regularly presented to holders of tickets purchased for those performances. A theater shall not include an adult entertainment establishment as defined by Section 5-17(b) of this Code;
- (r) ~~(k)~~ 3.2 percent malt liquor. Any malt liquor containing not less than one-half of one percent alcohol by volume nor more than 3.2 percent alcohol by weight;
- (s) ~~(l)~~ Off sale. The sale of alcoholic beverages in original packages in retail stores for consumption off or away from the premises where sold;
- (t) ~~(m)~~ On sale. The sale of alcoholic beverages by the glass for consumption on the premises only;
- (u) ~~(o)~~ Package or original package. Any container or receptacle holding alcoholic beverages, which

container or receptacle is corked or sealed;

- (v) (p) Public place. Any place that the general public can occupy as a matter of right or any place that is open to the general public by invitation, either for business purposes or otherwise;
- (w) Resort. A building, structure, enclosure, or any part thereof located on, or on property neighboring, any lake, stream, skiing or hunting area, or any recreational area for purposes of providing convenient access thereto, kept, used, maintained, or advertised as, or held out to the public to be a place where sleeping accommodations are furnished to the public, and primarily to those seeking recreation for periods of one day, one week, or longer, and having for rent five or more cottages, rooms, or enclosures.
- (x) (p) Restaurant. Any establishment, other than a hotel, under the control of a single proprietor or manager, classified as a high or medium risk food and beverage service establishment under Minnesota Statutes Chapter 157, having appropriate facilities for the serving of meals and for seating not less than 25 guests at one time and where, in consideration of payment therefor, meals are regularly served at tables to the general public, which employs an adequate staff to provide the usual and suitable service to its guests, a principal part of the business of which is the serving of foods. ~~And~~ It must derive a substantial amount of its income from the sale of foods and including non-alcoholic beverages. To determine compliance with this requirement, the licensee shall ~~fulfill~~/meet the following operational requirements.
  - (1) Offers a substantial food menu of a type consistent with a full-service, sit-down high or medium risk food and beverage service establishment offering meals to guests. Prepackaged and reheatable food items shall not be considered meals for this purpose;
  - (2) Offers full menu service during all hours of operation except two (2) hours prior to closing of the restaurant. Beginning at 10:00 p.m. ~~and until midnight~~, a reduced, late night food menu is allowed;
  - (3) Actively promotes food sales to all guests within the licensed premises of the restaurant during all hours of operation except those times specifically exempted herein;
  - (4) Maintains a kitchen open for meal service, which is fully staffed and supplied with sufficient workers and food product for the menu in effect, during all hours of operation except those times specifically exempted herein One or more bowling alleys may be included in the licensed premises of a restaurant if table service is available throughout the licensed premises;
- (y) (q) Sale, sell, dispense or sold. All barbers and all manners or means of furnishing intoxicating liquor or 3.2 percent malt liquor for a consideration. Such term shall include all transactions, whether for cash, credit or other considerations and shall include transactions where the consideration for the alcoholic beverage is included or combined with another transaction or where the consideration is called a "donation" or used to purchase any ticket, token or other object redeemable for intoxicating liquor or 3.2 percent malt liquor;
- (z) (r) Security personnel. Any person licensed by the state as a protective agent or the employees of a protective agent providing protective agent services in compliance with state law, or persons licensed as peace officers by the state and employed by the city as police officers;
- (aa) ~~(s)~~ Wholesaler. Any person engaged in the business of selling intoxicating liquor or 3.2 percent malt liquor to retail dealers;
- (bb) ~~(t)~~ Wine. The product made from the normal alcoholic fermentation of grapes, including still wine, sparkling and carbonated wine, wine made from condensed grape must, wine made from other agricultural products than sound, ripe grapes, imitation wine, compounds sold as wine, vermouth, cider, perry, soju and sake, in each instance containing not less than one-half of one percent nor more than 24 percent alcohol by volume for nonindustrial use. Wine does not include distilled spirits as defined by Minnesota Statutes, Chapter 340A.101, Subd. 9

Section 2. That Section 8-17 of the Duluth City Code is hereby amended as follows:

Sec. 8-17. Hours and days of sale -intoxicating liquor and 3.2 percent malt liquor

(a) ~~Except as provided by this Chapter,~~ The hours of operation and days of sale for intoxicating liquor and

- 3.2 percent malt liquor shall be consistent with those the maximum limits set by Minn. Stat. § 340A.504, as it may be amended from time to time.
- (b) 3.2 percent malt liquor. No sale of 3.2 percent malt liquor may be made between 2:00 a.m. and 8:00 a.m. on the days of Monday through Saturday, nor between 2:00 a.m. and 10:00 a.m. on Sunday. No on-sale of intoxicating liquor shall be made after 1:00 a.m. on Sunday, except as permitted by special license issued pursuant to the provisions of Section 8-46, or by on sale wine license, nor shall such sales be made after 8:00 p.m. on December 24.
- (c) On-sale intoxicating liquor. No sale of intoxicating liquor for consumption on the licensed premises may be made:
- (1) between 2:00 a.m. and 8:00 a.m. on the days of Monday through Saturday;
  - (2) after 2:00 a.m. on Sundays,
- No on sale shall be made until 8:00 a.m. on Monday nor between the hours of 1:00 a.m. and 8:00 a.m. on any other weekday.
- (d) On-sale after 1:00 a.m. The city authorizes on-sale intoxicating liquor and 3.2 percent malt liquor sales between the hours of 1:00 a.m. and 2:00 a.m. No licensee may sell intoxicating liquor or 3.2 percent malt liquor on-sale between the hours of 1:00 a.m. and 2:00 a.m. unless the licensee has first obtained a permit from the state, paid all required fees, and has notified the city of said permit. Sales of intoxicating liquor for consumption on the licensed premises may be made until 2:00 a.m. as provided by Minn.Stat. §340A.504, subd.3(a) or its amendments or successor, provided that the seller has first obtained each required state permit and has paid required fees, and has applied for and obtained a late hours permit from the office of the city clerk and paid any fee due, which system of late hours permit and fee for any type of on-sale business is hereby authorized.
- (e) Off-sale intoxicating liquor:
1. No sale of intoxicating liquor may be made by an off-sale licensee:
    - a. on Sundays, except between the hours of 11:00 a.m. and 6:00 p.m.;
    - b. before 8:00 a.m. or after 10:00 p.m. on Monday through Saturday;
    - c. on Thanksgiving Day;
    - d. on Christmas Day, December 25; or
    - e. after 8:00 p.m. on Christmas Eve, December 24.
  2. No delivery of alcohol to an off-sale or on-sale licensee may be made by a wholesaler or accepted by an off-sale or on-sale licensee on a Sunday. No order solicitation or merchandising may be made by a wholesaler on a Sunday.
- (f) Sunday on-sale intoxicating liquor.
1. A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 8:00 a.m. on Sundays and 2:00 a.m. on Mondays.
  2. An establishment serving intoxicating liquor on Sundays must first obtain a Sunday license issued pursuant to the provisions of Section 8-46.
- (g) Extended hours for on-sale; World Cup. Notwithstanding the restrictions on the days and hours for on-sale of intoxicating liquor or 3.2 percent malt liquor in this Chapter and Minn. Stat. § 340A.504, on-sale intoxicating liquor and 3.2 percent malt liquor sales may occur during a FIFA Women's World Cup competition or FIFA World Cup competition from 30 minutes before, then during, and ending 30 minutes after a scheduled broadcast of a live World Cup match. The sales authorized under this subdivision are not allowed during broadcasts of previously played matches. Only holders of an existing on-sale intoxicating liquor license or a 3.2 percent malt liquor license are eligible for the extended hours; a World Cup late hours operation permit must be obtained from the office of the city clerk. This Section 8-17(g) expires on Sept. 1, 2023.
- (h) (e) No person holding an off sale license for an exclusive liquor store licensee shall, either directly or indirectly, suffer or permit such place their licensed premises to remain open for the transaction of any business at any other time than that prescribed in this Section and Minn. Stat. § 340A.504 for the sale of intoxicating liquor and/or 3.2 percent malt liquor.

Section 3. That section 8-18 is repealed entirely as follows:

~~Sec. 8-18. Same—3.2 percent malt liquor.~~

~~No sale of 3.2 percent malt liquor shall be made on any Sunday between the hours of 1:00 a.m. and 10:00 a.m. No sale shall be made between the hours of 1:00 a.m. and 8:00 a.m. on any weekday, Monday through Saturday inclusive.~~

~~Sales can be made at other times that are authorized by Minnesota Laws 2003, Chapter 126 (M.S.A. Sec. 340A.504) or its amendments or successor, provided that the seller has first obtained each required state permit and has paid required fees, and has applied for and obtained a late hours permit from the office of the city clerk and paid any fee due.~~

~~No owner or proprietor of any premises for which an on-sale intoxicating liquor license has been granted shall directly or indirectly permit upon such premises the sale, dispensing or furnishing of 3.2 percent malt liquor at any time during Sunday unless they has a valid special Sunday license as provided for in Section 8-46 of the Duluth City Code, 1959, as amended.~~

Section 4. That section 8-20 is repealed entirely as follows:

~~Sec. 8-20. Destruction of illegal devices; sale of unlicensed alcoholic beverages.~~

~~If the defendant in any criminal action shall be found guilty of manufacturing or selling intoxicating liquor or 3.2 percent malt liquor without a proper license, all directions, formula and recipes designed, intended or used for the manufacture of intoxicating liquor or 3.2 percent malt liquor in violation of law shall be destroyed by the chief of police or under their direction. Any intoxicating liquor or 3.2 percent malt liquor seized and other articles seized shall be forfeited to the city and sold to the highest bidder by the chief of police.~~

~~Before the sale of any still, shall take place, the same shall first be dismantled by the chief of police or under his direction. No sale of any intoxicating liquor or 3.2 percent malt liquor so seized shall be made to persons other than those holding a license under the terms of this Chapter.~~

~~Proceeds of such sales shall be paid into the police pension fund organized pursuant to the laws of Minnesota, 1953, Chapter 91.~~

Section 5. That section 8-31 be amended as follows:

~~Sec. 8-31 Sales and service by minors prohibited. Employment of minors prohibited; exception.~~

~~No person under 18 years of age may serve or sell intoxicating liquor or 3.2 percent malt liquor in a retail intoxicating liquor establishment.~~

~~No establishment having an on-sale license shall employ any person under 18 years of age in any of the rooms constituting the place in which intoxicating liquor or 3.2 percent malt liquor are sold, except that persons under 18 years of age may be employed as musicians or to perform the duties of a bus boy or dishwashing services in hotels and restaurants serving food in room where intoxicating liquor or 3.2 percent malt liquor are sold, provided that no such person under 18 years of age shall be permitted to perform any services behind a bar.~~

Section 6. That section 8-41 be amended as follows:

~~Sec. 8-41. Types generally.~~

- (a) With respect to intoxicating liquor, there shall be the following types of licenses: on sale, on sale club, on sale wine, on sale culinary class, on sale theater, on sale brewer taproom, on sale microdistillery or distilled spirits manufacturer cocktail room, temporary on sale, off sale, microdistillery or distilled spirits manufacturer off sale and a brewery malt liquor off sale;
- (b) On sale licenses authorize the licensee to sell intoxicating liquor at retail for consumption only on the licensed premises. The following additional requirements apply to specific types of on sale licenses:
1. On sale culinary class licenses authorize on sales subject to the restrictions of Section 8-44(d) of this Chapter and Minnesota Statutes Section 340A.4041, or its successor;
  2. On sale theater licenses authorize on sales each day of the week to persons attending events at the theater;
  3. On sale brewer taproom licenses authorize on sales of malt liquor produced by the brewer for consumption on the premises of or adjacent to one brewery location owned by the brewer, subject to the restrictions of this Chapter and Minnesota Statutes Section 340A.301, subd. 6(b), or its successor. Notwithstanding Section 8-17 of this Chapter or Minnesota Statutes Section 340A.504, subdivision 3, a taproom may be open and may conduct on sale business on Sundays if authorized by the city in the license. All Sunday sales are subject to the limitation on hours of sale provided in Section 8-46 of this Chapter;
  4. On sale microdistillery or distilled spirits manufacturer cocktail room licenses authorize on sales of distilled liquor produced by the distiller for consumption on the premises of or adjacent to one distillery location owned by the distiller subject to the restrictions of Section 8-44(h) of this Chapter and Minnesota Section 340A.22 or its successor;
  5. Temporary on sale licenses authorize temporary on sales in connection with a social event sponsored by the licensee and only at the designated licensed premise;
- (c) Except as provided herein, off sale licenses authorize the licensee to sell intoxicating liquor at retail in original packages only for consumption off the licensed premises. The following additional requirements apply to specific types of off sale licenses:
1. Brewer off-sale malt liquor licenses may issued to a holder of a brewer's license under Minn. Stat. § 340A.301, subd. 6(c), (i) or (j) and meeting the criteria established by Minn. Stat. § 340A.29 as may be amended from time to time. The amount of malt liquor sold at off-sale under this license may not exceed 128 ounces per customer per day. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores provided for in Section 8-17, and the malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores. Packaging of malt liquor for off-sale under this license must comply with the provisions of Minnesota Rules, parts 7515.1080 to 7515.1120 as may be amended from time to time.  
~~Brewery malt liquor licenses permit breweries holding on sale licenses, or breweries that manufacture fewer than 3,500 barrels of malt liquor in a year, to sell malt liquor off sale in 64-ounce containers commonly known as growlers, subject to the restrictions in Minnesota Statutes, Section 340A.301, subd. 7(b), or its successor, and this Chapter. Sale of malt liquor off sale in 64-ounce containers, commonly known as growlers, may be conducted on Sundays. All Sunday sales are subject to the limitation on hours of sale provided in Section 8-46 of this Chapter;~~
  2. Notwithstanding the provisions of sections 8-21 and 8-22 of this Chapter, it shall be lawful for the holder of an off sale intoxicating liquor license or a brewery malt liquor off sale license to provide samples as provided in Minnesota Statutes, Section 340A.510, or its successor;
  3. A microdistillery or distilled spirits manufacturer off sale license permits a microdistillery to sell product manufactured on-site, subject to the restrictions of Section 8-17 of this Chapter and Minnesota Statute, Section 340A.22 Subd. 4 3, or its successor;
- (d) With respect to 3.2 percent malt liquor, there shall be three types of licenses: on sale, off sale and temporary on sale. Each type of 3.2 percent malt liquor license authorizes the licensee to sell 3.2 percent malt liquor subject to the following additional requirements applicable to the specific type of license:
1. On sale licenses authorize the sale of 3.2 percent malt liquor at retail for consumption only on the licensed premises
  2. Off sale licenses authorize the sale of 3.2 percent malt liquor at retail in original packages for consumption only off the licensed premises;

3. Temporary on sale licenses authorize the sale of 3.2 percent malt liquor at retail for a limited period of time, and only at the designated licensed premise;
- (e) ~~No intoxicating liquor or 3.2 percent malt liquor license of any type shall be granted to any employee holding a position in the classified service of the city and working as a licensed peace officer in the police department, to any police chief, deputy chief of police, fire chief, deputy fire chief, fire marshal or deputy fire marshal, nor shall any such officer or employee engage in the business, be employed by an establishment licensed by the city, or have an ownership interest in such business licensed by the city.~~

Section 7. That section 8-44 be amended as follows:

Sec. 8-44. To whom licenses issued--intoxicating liquor.

- (a) On sale intoxicating liquor licenses may only be granted to exclusive liquor stores, resorts, establishments that are used exclusively for the retail sale of intoxicating liquor, cigars, cigarettes, ice, all forms of tobacco, 3.2 percent malt liquor and soft drinks and to hotels, clubs, restaurants and bowling centers alleys;
- (b) On sale club licenses may only be granted, subject to the approval of the commissioner of public safety, to clubs or to congressionally chartered veterans organizations which have been in existence for three years or more. Such license shall authorize the sale of intoxicating liquors only to members of the licensed organization and their bona fide guests;
- (c) On sale wine licenses may ~~only~~ be granted to restaurants or bed and breakfast establishments and shall authorize licensees on every day of the week to sell wine and fortified wine not exceeding 14 percent alcohol by volume, for consumption on the licensed premises only, in conjunction with the sale of food. A bed and breakfast establishment may furnish wine and fortified wine only to registered guests of the establishment and, if the facility contains a licensed commercial kitchen, also to guests attending private events at the facility if such events are otherwise authorized by Chapter 50 of this Code. Sunday hours of sale shall be from Noon to 1:00 a.m. Monday. No on sale wine license shall be in effect until it is approved by the liquor control commissioner of the state of Minnesota;
- (d) On-sale wine license and an on-sale 3.2 malt liquor license may be granted to a person who is the owner of a summer collegiate league baseball team or baseball team competing in a league established by the Minnesota Baseball Association, or to a person holding a concessions or management contract with the owner, for beverage sales at a ballpark or stadium for the purposes of summer collegiate league baseball games, town ball games, and any other events at the ballpark or stadium. A license issued under this section authorizes sales on all days of the week to persons attending baseball games and any other events at the ballpark or stadium.
- (e) On sale culinary class licenses may only be granted to business establishments that meet the following conditions:
- (1) The business establishment is not otherwise eligible for an on sale intoxicating liquor license; and
  - (2) That, as a regular part of its business the establishment conducts culinary or cooking classes for which payment is made by each participant and only if such participant has made an advance reservation. The license authorizes the licensee to furnish to each participant in each class, at no additional cost to the participant, up to a maximum of six ounces of wine or 12 ounces of intoxicating malt liquor, during and as part of the class, for consumption on the licensed premises only;
- (f) Temporary on sale liquor licenses may be issued in connection with a social event sponsored by the licensee. The license may only be issued to:
- (1) Clubs, charitable organizations, religious organizations and other nonprofit organizations in existence for at least three years;
  - (2) A registered political committee;
  - (3) A state university;
  - (4) A brewer who manufactures fewer than 3,500 barrels of malt liquor in a year; or
  - (5) A microdistillery;
  - (6) A winery

- (7) The city may issue one seven-day temporary license per year to a county agricultural society established under Minnesota Statutes Section 38.01, for alcoholic beverage sales at a county fair.

A temporary license may only be issued for a limited length of time, not to exceed four consecutive days, except for one seven-day temporary license per year to a county agricultural society established under Minnesota Statutes Section 38.01, for alcoholic beverage sales at a county fair. Temporary on sale licenses to any one organization or for one location shall not exceed more than three four-day, four three-day, six two-day or 12 one-day licenses, in any combination not to exceed 12 days per year. ~~No more than one license shall be issued to any one organization or for any one location within any 30 day period unless the licenses are issued in connection with an event officially designated a community festival by the city.~~ The city may authorize the temporary on sale liquor license on premises other than premises the licensee owns or permanently occupies. The license may provide that the licensee may contract for intoxicating liquor catering services with the holder of a full-year on sale intoxicating liquor license used by the city;

- (g) Off sale intoxicating liquor licenses may only be granted to exclusive liquor stores;
- (h) Brewery malt liquor off sale licenses may only be granted to a holder of a brewer's license under Minn. Stat. § 340A.301, subd. 6(c), (i) or (j) and meeting the criteria established by Minn. Stat. § 340A.29 as may be amended from time to time.:
1. ~~Breweries holding on sale licenses; or~~
  2. ~~A brewer who manufactures fewer than 3,500 barrels of malt liquor in a year, and shall be subject to all restrictions, terms and conditions contained in Minnesota Statutes, Section 340A.301, subd. 7(b), or its successor;~~
- (i) Microdistillery or distilled spirits manufacturer cocktail room licenses may only be granted to microdistilleries or distilled spirits manufacturers licensed under Minnesota Statutes Section 340A.301, subdivision 6c or its successor;
- (j) Microdistillery or distilled spirits manufacturer off sale licenses may only be granted to microdistilleries or distilled spirits manufacturers licensed under Minnesota Statutes Section 340A.301, subdivision 6c or its successor.

Section 8. That this shall take effect 30 days after its passage and publication.

STATEMENT OF PURPOSE: This ordinance revises and updates the Duluth Alcoholic Beverage Code to match the recent revisions to Minnesota law regarding alcoholic beverage sales. The 2022 Legislature passed a new law (Chapter 86) that makes changes to liquor licenses and rules summarized as follows:

#### Distiller license changes

Minnesota Statutes, section 340A.22, subdivision 2 now allows Duluth to issue a cocktail room license to the holder of a distilled spirits manufacturer license. This provision also changes the amount for our microdistillery off-sale licenses from 375 milliliters to up to 750 milliliters per customer per day in any size container or combination of approved containers.

#### Small brewer off-sale of 128 ounces

Minnesota Statutes, section 340A.29 now allows a brewer licensed under Minnesota Statutes, section 340A.301 that produces 7,500 barrels or less of malt liquor annually to be issued a license by Duluth for off-sale of up to 128 ounces per customer per day in any packaging conforming to state and federal regulation. Interested small brewers will need to apply for the new small brewer off-sale license through the City Clerk's office. The City Clerk's Office must then return the completed application to the State Alcohol and Gambling Enforcement Division so that they may enter the license into the statewide liquor license database.

#### Expanding authorized establishments to receive on-sale licenses

Minnesota Statutes, section 340A.404, subdivision 1 now allows Duluth to issue on-sale intoxicating liquor licenses to "resorts," as defined in Minnesota Statutes, section 157.15, subdivision 11. The statute also now allows Duluth to issue an on-sale wine and an on-sale malt liquor license to a baseball team competing in a league established by the Minnesota Baseball Association, or to a person holding a concessions or



management contract for beverage sales at a ballpark for the purposes of summer town ball games.

Elimination of 30-day temporary license restriction

Minnesota Statutes, section 340A.410, subdivision 10 no longer restricts Duluth from issuing more than one temporary license authorized under Minnesota Statutes, section 340A.404, subdivision 10 for any one organization or political committee, or for any one location within a 30-day period.

Seven-day temporary license created for county fairs

Minnesota Statutes, section 340A.410, subdivision 10 allows Duluth to issue one seven-day temporary license per year to a county agricultural society established under Minnesota Statutes, section 38.01 for alcoholic beverage sales at a county fair.

Extended hours for FIFA World Cup

The new law authorizes Duluth to issue special permits for service of alcohol during extended hours. The permit authorizes the sale of alcoholic beverages 30 minutes before, during, and 30 minutes after a scheduled broadcast of a live World Cup match. Only holders of an existing on-sale intoxicating liquor license or 3.2% malt liquor license are eligible for the extended hours. This new authorization expires on Sept. 1, 2023.