

STATE OF MINNESOTA

NINETY-SECOND SESSION — 2022

 ONE HUNDRED SEVENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 11, 2022

The House of Representatives convened at 3:30 p.m. and was called to order by Paul Marquart, Speaker pro tempore.

Prayer was offered by Gwen Nell Westerman, Poet Laureate of Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

| | | | | | |
|-------------|------------|-----------------|------------|--------------|------------|
| Acomb | Davnie | Hansen, R. | Lee | Nelson, N. | Schomacker |
| Agbaje | Demuth | Hanson, J. | Liebling | Neu Brindley | Schultz |
| Akland | Dettmer | Hassan | Lillie | Noor | Scott |
| Albright | Drazkowski | Hausman | Lippert | Novotny | Stephenson |
| Anderson | Ecklund | Heinrich | Lislegard | O'Driscoll | Sundin |
| Backer | Edelson | Heintzeman | Long | Olson, B. | Swedzinski |
| Bahner | Elkins | Her | Lucero | Olson, L. | Theis |
| Bahr | Erickson | Hertaus | Lueck | O'Neill | Thompson |
| Baker | Feist | Hollins | Mariani | Pelowski | Torkelson |
| Becker-Finn | Fischer | Hornstein | Marquart | Petersburg | Urdahl |
| Bennett | Franke | Howard | Masin | Pfarr | Vang |
| Berg | Franson | Huot | McDonald | Pierson | Wazlawik |
| Bernardy | Frazier | Igo | Mekeland | Pinto | West |
| Bierman | Frederick | Johnson | Miller | Poston | Winkler |
| Bliss | Freiberg | Jordan | Moller | Pryor | Wolgamott |
| Boe | Garofalo | Jurgens | Moran | Quam | Xiong, J. |
| Boldon | Gomez | Keeler | Morrison | Raleigh | Xiong, T. |
| Burkel | Green | Kiel | Mortensen | Rasmusson | Youakim |
| Carlson | Greenman | Klevorn | Mueller | Reyer | |
| Christensen | Grossell | Koegel | Munson | Richardson | |
| Daniels | Gruenhagen | Kotyza-Witthuhn | Murphy | Robbins | |
| Daudt | Haley | Koznick | Nash | Sandell | |
| Davids | Hamilton | Kresha | Nelson, M. | Sandstede | |

A quorum was present.

Hortman was excused until 5:00 p.m.

The Chief Clerk proceeded to read the Journals of the preceding days. There being no objection, further reading of the Journals was dispensed with and the Journals were approved as corrected by the Chief Clerk.

REPORTS OF CHIEF CLERK

S. F. No. 3540 and H. F. No. 4017, which had been referred to the Chief Clerk for comparison, were examined and found to be not identical.

Nelson, M., moved that S. F. No. 3540 be substituted for H. F. No. 4017 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable David J. Osmek
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2022 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

| <i>S. F. No.</i> | <i>H. F. No.</i> | <i>Session Laws Chapter No.</i> | <i>Time and Date Approved 2022</i> | <i>Date Filed 2022</i> |
|----------------------|----------------------|-------------------------------------|--|----------------------------|
| 4025 | | 53 | 9:13 a.m. May 10 | May 10 |
| 4233 | | 54 | 9:13 a.m. May 10 | May 10 |

Sincerely,

STEVE SIMON
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Hansen, R., from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 2917, A bill for an act relating to natural resources; modifying distribution of lottery in lieu tax; amending Minnesota Statutes 2020, section 297A.94.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 15, H. F. No. 2917 was re-referred to the Committee on Rules and Legislative Administration.

Hansen, R., from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 4649, A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution, article XI, section 14; providing for the renewal of the environment and natural resources trust fund; making changes to the Legislative-Citizen Commission on Minnesota Resources; amending Minnesota Statutes 2020, sections 116P.05, subdivision 1; 349A.08, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
CONSTITUTIONAL AMENDMENT

Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XI, section 14, will read:

Sec. 14. A permanent environment and natural resources trust fund ~~is~~ and a housing fund are established in the state treasury. ~~Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law.~~ The assets of the environment and natural resources trust fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources and for addressing climate change. The assets of the environment and natural resources trust fund shall not be used to pay the principal or interest of any bonds. The assets of the environment and natural resources trust fund shall not be used to pay for any costs related to the construction, repair, improvement, or operation of any facility or system that processes wastewater, but may be used to pay for research related to wastewater. The amount appropriated from the environment and natural resources trust fund each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. ~~Not less than 40~~ The assets of the housing fund shall be appropriated to provide housing, improve housing affordability, and increase homeownership. Until the year 2050, 50 percent of the net proceeds from any state-operated lottery must be credited to the environment and natural resources trust fund until the year 2025, and the remaining 50 percent of the net proceeds must be credited to the housing fund.

Sec. 2. **SUBMISSION TO VOTERS.**

(a) The proposed amendment must be submitted to the people at the 2022 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to protect drinking water sources; protect the water quality of lakes, rivers, and streams; protect forests to improve air quality, wildlife habitat, natural areas, parks, and trails; and address climate change by extending from 2025 until 2050 the transfer of proceeds from the state-operated lottery to

the environment and natural resources trust fund; to increase the portion of lottery proceeds transferred to the fund from the lottery from 40 to 50 percent; to limit the uses of trust fund money; and to transfer the remaining 50 percent of the net proceeds from the state-operated lottery to a new housing fund to provide housing, improve housing affordability, and increase homeownership?

Yes
No "

(b) The title required under Minnesota Statutes, section 204D.15, subdivision 1, for the question submitted to the people under paragraph (a) shall be: "Environment and Natural Resources Trust Fund Renewal and Housing Fund Creation."

ARTICLE 2
STATUTORY CHANGES

Section 1. Minnesota Statutes 2020, section 349A.08, subdivision 5, is amended to read:

Subd. 5. **Payment; unclaimed prizes.** A prize in the state lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded or the last day sales were authorized for a game where a prize was determined in a manner other than by means of a drawing. If a valid claim is not made for a prize payable directly by the lottery by the end of this period, the prize money is considered unclaimed and the winner of the prize shall have no further claim to the prize. A prize won by a person who purchased the winning ticket in violation of section 349A.12, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed prize under this section. The director must transfer all unclaimed prize money at the end of each fiscal year from the lottery cash flow account to the ~~general~~ environment and natural resources trust fund.

EFFECTIVE DATE. If the constitutional amendment in article 1, section 1, is approved by the voters at the 2022 general election, this section is effective January 1, 2023.

Sec. 2. Minnesota Statutes 2020, section 349A.10, subdivision 5, is amended to read:

Subd. 5. **Deposit of net proceeds.** Within 30 days after the end of each month, the director shall deposit in the state treasury the net proceeds of the lottery, which is the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account. Of the net proceeds, ~~40~~ 50 percent must be credited to the Minnesota environment and natural resources trust fund and ~~the remainder~~ 50 percent must be credited to the ~~general~~ housing fund.

EFFECTIVE DATE. If the constitutional amendment in article 1, section 1, is approved by the voters at the 2022 general election, this section is effective January 1, 2023.

Sec. 3. **[462A.50] HOUSING FUND; HOUSING FUND COUNCIL.**

Subdivision 1. **Housing fund.** A housing fund, under article XI, section 14, of the Minnesota Constitution, is established as an account in the state treasury. All money earned by the housing fund must be credited to the fund. Money in the account is appropriated to the commissioner of the Minnesota Housing Finance Agency and may be spent only to provide housing, improve housing affordability, and increase homeownership, including but not limited to building and refurbishing affordable housing, mitigating resident displacement, improving housing conditions, providing climate-resilient and sustainable housing, and reducing harmful environmental and health impacts related to housing.

Subd. 2. **Housing Fund Council.** (a) A Housing Fund Council consisting of nine members appointed by the governor is created. Members of the council include:

(1) two public members who are developers who identify as Black, Indigenous, or people of color;

(2) two public members who are or have been houseless at the time of appointment;

(3) three public members who are renters at the time of appointment; and

(4) two public members who are realtors working with first-time home buyers.

(b) Members must not be registered lobbyists. Five members must be from the seven-county metropolitan area and four members must be from outside the seven-county metropolitan area. The appointments to the council are subject to the advice and consent of the senate.

(c) Members serve four-year terms and may not serve for more than three terms. Members continue to serve until their successors are appointed.

(d) Terms, compensation, and removal of members are as provided in section 15.059. A vacancy on the council may be filled by the governor for the remainder of the unexpired term.

(e) Members must elect a chair and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

(f) The Minnesota Housing Finance Agency must provide administrative support for the council.

Subd. 3. **Council recommendations.** (a) The Housing Fund Council must make recommendations on spending money from the housing fund that are consistent with the constitution and state law. The recommendations must be submitted to the commissioner of the Minnesota Housing Finance Agency for consideration.

(b) Recommendations of the council, including approval of recommendations for the housing fund, require an affirmative vote of at least seven members of the council.

(c) When making recommendations, the council must give priority to projects that build or preserve housing that is affordable to households with incomes at or below 30 percent of the area median income.

Subd. 4. **Conflict of interest.** A Housing Fund Council member may not participate in or vote on a decision of the council relating to an organization in which the member has either a direct or indirect personal financial interest. While serving on the Housing Fund Council, a member must avoid any potential conflict of interest.

EFFECTIVE DATE. If the constitutional amendment in article 1, section 1, is approved by the voters at the 2022 general election, this section is effective January 1, 2023.

Sec. 4. **INITIAL APPOINTMENTS AND FIRST MEETING.**

(a) Initial appointments to the Housing Fund Council must be made by February 1, 2023. The first meeting of the Housing Fund Council must be convened by the commissioner of the Minnesota Housing Finance Agency by June 15, 2023. The Housing Fund Council must select a chair from its membership at its first meeting.

(b) Members of the Housing Fund Council must initially be appointed according to the following schedule of terms:

(1) four members appointed by the governor for a term ending the first Monday in January 2025; and

(2) five citizen members appointed by the governor for a term ending the first Monday in January 2027.

EFFECTIVE DATE. If the constitutional amendment in article 1, section 1, is approved by the voters at the 2022 general election, this section is effective January 1, 2023."

Delete the title and insert:

"A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article XI, section 14; providing for renewal and modification of environment and natural resources trust fund; providing for housing fund and Housing Fund Council; modifying lottery provisions; appropriating money; amending Minnesota Statutes 2020, sections 349A.08, subdivision 5; 349A.10, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 462A."

With the recommendation that when so amended the bill be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Hansen, R., from the Committee on Environment and Natural Resources Finance and Policy to which was referred:

H. F. No. 4850, A bill for an act relating to natural resources; modifying the Legislative-Citizen Commission on Minnesota Resources membership and terms; modifying availability of fund disbursements; providing appointments; amending Minnesota Statutes 2020, sections 116P.05, subdivisions 1, 1a, 2; 116P.09, subdivision 6; 116P.11.

Reported the same back with the following amendments:

Page 5, after line 20, insert:

"Sec. 6. **[116P.21] CAPITAL PROJECT PROPOSAL REQUIREMENTS.**

Proposals requesting money from the trust fund for a capital project with a construction cost of \$750,000 or more must include the following information:

(1) the name of the entity that will own the capital for which the money is being requested;

(2) for nonstate projects, the extent to which the entity has or expects to provide local, private, user financing, or other nonstate funding for the project and whether the project will require new or additional state funding;

(3) for nonstate projects, documentation showing that the entity requesting the project and, if applicable, its fiscal agent, have passed a resolution in support of the project; and

(4) if the project requires a predesign under section 16B.335, whether the predesign has been completed and submitted to the commissioner of administration for review and approval."

Page 6, line 8, delete "6" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the first semicolon, insert "establishing requirements for capital projects;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 15, H. F. No. 4850 was re-referred to the Committee on Rules and Legislative Administration.

SECOND READING OF SENATE BILLS

S. F. No. 3540 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Long introduced:

H. F. No. 4869, A bill for an act relating to capital investment; appropriating money to Pangea World Theater for a community arts and cultural center.

The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy.

Johnson introduced:

H. F. No. 4870, A bill for an act relating to motor vehicles; prohibiting racing, drag racing, and related activities; authorizing vehicle forfeitures for certain violations; imposing criminal penalties; establishing a grant program; appropriating money; amending Minnesota Statutes 2020, sections 169.13, subdivision 1; 609.5312, subdivision 4; Minnesota Statutes 2021 Supplement, sections 171.18, subdivision 1; 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Franson introduced:

H. F. No. 4871, A bill for an act relating to taxation; repealing the requirement for June accelerated payments for cigarette and tobacco taxes and liquor taxes; amending Minnesota Statutes 2020, sections 297F.09, subdivisions 1, 2; 297F.25, subdivision 2; repealing Minnesota Statutes 2021 Supplement, sections 297F.09, subdivision 10; 297G.09, subdivision 9.

The bill was read for the first time and referred to the Committee on Taxes.

Lippert introduced:

H. F. No. 4872, A bill for an act relating to natural resources; establishing Lowland Conifer Carbon Reserve; modifying uses of positive general fund balance; requiring reports; appropriating money; amending Minnesota Statutes 2021 Supplement, section 16A.152, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 88.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Drazkowski introduced:

H. F. No. 4873, A bill for an act relating to capital investment; appropriating money for a new regional wastewater treatment facility in Goodhue County; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Winkler moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Moller.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3216, A bill for an act relating to transportation; amending membership of the local road improvement program advisory committee; amending Minnesota Statutes 2020, section 174.52, subdivision 3.

CAL R. LUDEMAN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3296, A bill for an act relating to motor vehicles; amending various requirements governing motor vehicle titles and disclosure; making technical and clarifying changes; amending Minnesota Statutes 2020, sections 168A.01, subdivision 17b, by adding a subdivision; 168A.04, subdivisions 1, 4; 168A.05, subdivision 3; 168A.151, subdivision 1; 168A.152, subdivisions 1, 1a; 325F.662, subdivision 3; 325F.6641; 325F.6642; 325F.665, subdivision 14; repealing Minnesota Statutes 2020, sections 168A.01, subdivision 17a; 325F.6644.

CAL R. LUDEMAN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Youakim moved that the House concur in the Senate amendments to H. F. No. 3296 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 3296, A bill for an act relating to motor vehicles; amending various requirements governing motor vehicle titles and disclosure; making technical and clarifying changes; amending Minnesota Statutes 2020, sections 168A.01, subdivision 17b, by adding a subdivision; 168A.04, subdivisions 1, 4; 168A.05, subdivision 3; 168A.151, subdivision 1; 168A.152, subdivisions 1, 1a; 325F.662, subdivision 3; 325F.6641; 325F.6642; 325F.665, subdivision 14; repealing Minnesota Statutes 2020, sections 168A.01, subdivision 17a; 325F.6644.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | | |
|-------------|------------|-----------------|------------|--------------|------------|
| Acomb | Davnie | Hansen, R. | Lee | Nelson, N. | Sandstede |
| Agbaje | Demuth | Hanson, J. | Liebling | Neu Brindley | Schomacker |
| Akland | Dettmer | Hassan | Lillie | Noor | Schultz |
| Albright | Drazkowski | Hausman | Lippert | Novotny | Scott |
| Anderson | Ecklund | Heinrich | Lislegard | O'Driscoll | Stephenson |
| Backer | Edelson | Heintzeman | Long | Olson, B. | Sundin |
| Bahner | Elkins | Her | Lucero | Olson, L. | Swedzinski |
| Bahr | Erickson | Hollins | Lueck | O'Neill | Theis |
| Baker | Feist | Hornstein | Marquart | Pelowski | Torkelson |
| Becker-Finn | Fischer | Howard | Masin | Petersburg | Urdahl |
| Bennett | Franke | Huot | McDonald | Pfarr | Vang |
| Berg | Franson | Igo | Mekeland | Pierson | Wazlawik |
| Bernardy | Frazier | Johnson | Miller | Pinto | West |
| Bierman | Frederick | Jordan | Moller | Poston | Winkler |
| Bliss | Freiberg | Jurgens | Moran | Pryor | Wolgamott |
| Boe | Garofalo | Keeler | Morrison | Quam | Xiong, T. |
| Boldon | Gomez | Kiel | Mortensen | Raleigh | Youakim |
| Burkel | Green | Klevorn | Mueller | Rasmusson | |
| Carlson | Greenman | Koegel | Munson | Reyer | |
| Christensen | Grossell | Kotzya-Witthuhn | Murphy | Richardson | |
| Daniels | Gruenhagen | Koznick | Nash | Robbins | |
| Daudt | Haley | Kresha | Nelson, M. | Sandell | |

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1391, 2543, 2922, 3049, 3202, 3258, 3287, 3503, 3850, 3885 and 4165.

CAL R. LUDEMAN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1391, A bill for an act relating to commerce; regulating debt settlement services providers; amending Minnesota Statutes 2020, sections 332A.02, subdivision 8, by adding subdivisions; 332B.02, subdivision 13.

The bill was read for the first time.

Carlson moved that S. F. No. 1391 and H. F. No. 2342, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2543, A bill for an act relating to commerce; regulating motor vehicle self-insurance for cooperatives; amending Minnesota Statutes 2020, section 65B.48, subdivision 3.

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

S. F. No. 2922, A bill for an act relating to commerce; modifying provisions governing licensure and registration of collection agencies; amending Minnesota Statutes 2020, section 332.33, subdivision 3, by adding a subdivision.

The bill was read for the first time.

Rasmusson moved that S. F. No. 2922 and H. F. No. 4048, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3049, A bill for an act relating to commerce; establishing certain rights for federal home loan banks with respect to collateral pledged by insurer members; proposing coding for new law in Minnesota Statutes, chapter 60B.

The bill was read for the first time.

Lislegard moved that S. F. No. 3049 and H. F. No. 3108, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3202, A bill for an act relating to health occupations; modifying a requirement for podiatrist licensure; amending Minnesota Statutes 2020, section 153.16, subdivision 1.

The bill was read for the first time.

Bennett moved that S. F. No. 3202 and H. F. No. 3099, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3258, A bill for an act relating to health; modifying licensure requirements for the practice of medicine and acupuncture; repealing professional corporation rules; amending Minnesota Statutes 2020, sections 147.03, subdivision 1; 147.037, subdivision 1; 147A.16; 147B.02, subdivision 7; Minnesota Statutes 2021 Supplement, section 147.141; repealing Minnesota Rules, parts 5610.0100; 5610.0200; 5610.0300.

The bill was read for the first time.

Morrison moved that S. F. No. 3258 and H. F. No. 3631, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3287, A bill for an act relating to commerce; modifying department enforcement powers; regulating market conduct examinations; requiring a report; amending Minnesota Statutes 2020, sections 60A.031, subdivision 6, by adding subdivisions; 60A.033, subdivisions 8, 9, by adding subdivisions; 70A.06, by adding a subdivision; repealing Minnesota Statutes 2020, section 60A.033, subdivision 3.

The bill was read for the first time and referred to the Committee on Ways and Means.

S. F. No. 3503, A bill for an act relating to commerce; real estate appraisers; making changes related to minimum damage acquisition reports and continuing education; amending Minnesota Statutes 2020, sections 82B.03, by adding a subdivision; 82B.19, by adding a subdivision; 82C.17, subdivision 2; Minnesota Statutes 2021 Supplement, section 82B.25, subdivision 2.

The bill was read for the first time.

O'Driscoll moved that S. F. No. 3503 and H. F. No. 3784, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3850, A bill for an act relating to civil law; clarifying indemnity application when insurance coverage exists; amending Minnesota Statutes 2020, section 604.21.

The bill was read for the first time.

Sundin moved that S. F. No. 3850 and H. F. No. 4181, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3885, A bill for an act relating to commerce; authorizing certain insurers to offer paid family leave insurance benefits; proposing coding for new law as Minnesota Statutes, chapter 63A.

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

S. F. No. 4165, A bill for an act relating to human services; instructing the revisor of statutes to renumber statutes related to the Supplemental Nutrition Assistance Program and Minnesota food assistance program.

The bill was read for the first time and referred to the Committee on Ways and Means.

ANNOUNCEMENT BY THE SPEAKER
PURSUANT TO RULE 1.15(c)

A message from the Senate has been received requesting concurrence by the House to amendments adopted by the Senate to the following House Files:

H. F. Nos. 3682 and 3768.

REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION

Winkler from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Thursday, May 12, 2022 and established a prefiling requirement for amendments offered to the following bills:

S. F. No. 4476; and H. F. Nos. 4670 and 778.

Hassan was excused for the remainder of today's session.

CALENDAR FOR THE DAY

H. F. No. 2725, A bill for an act relating to judiciary; establishing a statutory procedure to assess the competency of a defendant to stand trial; providing for contested hearings; establishing continuing supervision for certain defendants found incompetent to stand trial; establishing requirements to restore certain defendants to competency; providing for administration of medication; establishing forensic navigators; requiring forensic navigators to provide services to certain defendants; establishing dismissal plans for certain defendants found incompetent to stand trial; providing for jail-based competency restoration programs; establishing the State Competency Restoration Board and certification advisory committee; requiring a report; appropriating money; amending Minnesota Statutes 2020, sections 253B.07, subdivision 2a; 480.182; proposing coding for new law in Minnesota Statutes, chapter 611.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 102 yeas and 31 nays as follows:

Those who voted in the affirmative were:

| | | | | | |
|-------------|-------------|-----------|------------|-----------------|-----------|
| Acomb | Bernardy | Elkins | Haley | Huot | Lee |
| Agbaje | Bierman | Erickson | Hamilton | Igo | Liebling |
| Akland | Boldon | Feist | Hansen, R. | Johnson | Lillie |
| Albright | Burkel | Fischer | Hanson, J. | Jordan | Lippert |
| Anderson | Carlson | Franke | Hausman | Jurgens | Lislegard |
| Backer | Christensen | Frazier | Heinrich | Keeler | Long |
| Bahner | Dauids | Frederick | Her | Kiel | Mariani |
| Baker | Davnie | Freiberg | Hertaus | Klevorn | Marquart |
| Becker-Finn | Demuth | Gomez | Hollins | Koegel | Masin |
| Bennett | Ecklund | Greenman | Hornstein | Kotyza-Witthuhn | Moller |
| Berg | Edelson | Grossell | Howard | Kresha | Moran |

| | | | | | |
|------------|------------|------------|------------|-----------|--------------|
| Morrison | Olson, L. | Rasmusson | Schomacker | Thompson | Winkler |
| Murphy | Pelowski | Reyer | Schultz | Torkelson | Wolgamott |
| Nelson, M. | Petersburg | Richardson | Scott | Urdahl | Xiong, J. |
| Nelson, N. | Pinto | Robbins | Stephenson | Vang | Xiong, T. |
| Noor | Pryor | Sandell | Sundin | Wazlawik | Youakim |
| Novotny | Raleigh | Sandstede | Theis | West | Spk. Hortman |

Those who voted in the negative were:

| | | | | | |
|---------|------------|----------|--------------|-----------|------------|
| Bahr | Drazkowski | Koznick | Mortensen | Olson, B. | Swedzinski |
| Bliss | Franson | Lucero | Mueller | O'Neill | |
| Boe | Garofalo | Lueck | Munson | Pfarr | |
| Daniels | Green | McDonald | Nash | Pierson | |
| Daudt | Gruenhagen | Mekeland | Neu Brindley | Poston | |
| Dettmer | Heintzeman | Miller | O'Driscoll | Quam | |

The bill was passed and its title agreed to.

S. F. No. 3008 was reported to the House.

Stephenson moved to amend S. F. No. 3008, the first engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 2767, the second engrossment:

ARTICLE 1 LIQUOR REGULATION

Section 1. Minnesota Statutes 2020, section 340A.101, is amended by adding a subdivision to read:

Subd. 9a. **Distilled spirits manufacturer.** "Distilled spirits manufacturer" means a distillery operated within the state producing distilled spirits in a total quantity exceeding the proof gallons limit for a microdistillery in a calendar year.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2020, section 340A.101, subdivision 16, is amended to read:

Subd. 16. **Malt liquor.** "Malt liquor" is 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 subdivision.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2020, section 340A.22, is amended to read:

340A.22 MICRODISTILLERIES; DISTILLED SPIRIT MANUFACTURERS.

Subdivision 1. **Activities.** (a) A microdistillery licensed under this chapter may provide on its premises samples of distilled spirits manufactured on its premises, in an amount not to exceed 15 milliliters per variety per person. No more than 45 milliliters may be sampled under this paragraph by any person on any day.

(b) A microdistillery or distilled spirits manufacturer can sell cocktails to the public, pursuant to subdivision 2.

(c) A microdistillery or distilled spirits manufacturer may not operate a cocktail room under subdivision 2 or conduct sales at off-sale under subdivision 4 unless at least 50 percent of the annual production of the licensee is processed and distilled on premises.

(d) For purposes of calculating annual production under paragraph (c), distilled spirits that are bottled by the licensee under a contract bottling agreement with a third party are excluded from the licensee's annual production if the:

(1) third-party contractor is an independent entity that is not owned or controlled by the licensee;

(2) distilled spirits bottled under a third-party contract are not available for sale or marketed by the licensee or the third party at any location licensed under subdivision 2 or 4; and

(3) distilled spirits bottled under a third-party contract are available for distribution by wholesalers.

~~(d)~~ (e) Distilled spirits produced or in production prior to July 1, 2017, are not counted as part of the calculations under paragraph (c).

Subd. 2. **Cocktail room license.** (a) A municipality, including a city with a municipal liquor store, may issue the holder of a microdistillery license or distilled spirits manufacturer license under this chapter a microdistillery or distilled spirits manufacturer cocktail room license. A microdistillery cocktail room license authorizes on-sale of distilled liquor produced by the distiller for consumption on the premises of or adjacent to one distillery location owned by the distiller. Notwithstanding section 340A.504, subdivision 3, a cocktail room may be open and may conduct on-sale business on Sundays if authorized by the municipality. Nothing in this subdivision precludes the holder of a microdistillery or distilled spirits manufacturer cocktail room license from also holding a license to operate a restaurant at the distillery. Section 340A.409 shall apply to a license issued under this subdivision. All provisions of this chapter that apply to a retail liquor license shall apply to a license issued under this subdivision unless the provision is explicitly inconsistent with this subdivision.

(b) A distiller may only have one cocktail room license under this subdivision, ~~and may not have an ownership interest in a distillery licensed under section 340A.301, subdivision 6, clause (a).~~

(c) The municipality shall impose a licensing fee on a distiller holding a microdistillery or distilled spirits manufacturer cocktail room license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 2, paragraph (a).

(d) A municipality shall, within ten days of the issuance of a license under this subdivision, inform the commissioner of the licensee's name and address and trade name, and the effective date and expiration date of the license. The municipality shall also inform the commissioner of a license transfer, cancellation, suspension, or revocation during the license period.

(e) No single entity may hold both a cocktail room and taproom license, and a cocktail room and taproom may not be colocated.

Subd. 3. **License; fee.** The commissioner shall establish a fee for licensing microdistilleries that adequately covers the cost of issuing the license and other inspection requirements. The fees shall be deposited in an account in the special revenue fund and are appropriated to the commissioner for the purposes of this subdivision. All other requirements of section 340A.301 apply to a license under this section.

Subd. 4. **Off-sale license.** (a) A microdistillery may be issued a license by the local licensing authority for off-sale of distilled spirits, with the approval of the commissioner. The license may allow ~~the sale of one 375 milliliter bottle per customer per day of product manufactured on site~~ sales as provided in paragraph (b), subject to the following requirements:

(1) off-sale hours of sale must conform to hours of sale for retail off-sale licensees in the licensing municipality; and

(2) no brand may be sold at the microdistillery unless it is also available for distribution by wholesalers.

(b) The license allows a microdistillery to sell product manufactured on site to each customer per day under either one of the following amount and container size limitations:

(1) up to a total of 750 milliliters, in any size container approved under paragraph (c); or

(2) up to a total of 1.125 liters, in any size container approved under paragraph (c) that does not exceed 375 milliliters.

(c) The commissioner may approve any standard fill as approved by the Alcohol and Tobacco Tax and Trade Bureau.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2020, section 340A.28, subdivision 2, is amended to read:

Subd. 2. **Prohibition.** A municipality may not issue a license under this section to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than ~~20,000~~ 150,000 barrels of its own brands of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. **[340A.29] OFF-SALE PACKAGING REQUIREMENTS FOR CERTAIN SMALL BREWERS.**

Subdivision 1. **Certain off-sale authorized.** Notwithstanding any law to the contrary, and in addition to the off-sale of malt liquor allowed under section 340A.28, a brewer licensed under section 340A.301, subdivision 6, clause (c), (i), or (j), that produces 7,500 barrels or less of malt liquor annually may be issued a license by a municipality for off-sale at its licensed premises of up to 128 ounces per customer per day of malt liquor that has been produced and packaged by the brewer, as provided in subdivision 2. The license must be approved by the commissioner. The amount of malt liquor sold at off-sale under this section must be included in calculating the annual barrel limit imposed in section 340A.28, subdivision 1.

Subd. 2. **Packaging.** Malt liquor authorized for off-sale pursuant to subdivision 1 must be packaged in a container that is in compliance with the provisions of Minnesota Rules, parts 7515.1080 to 7515.1120.

Subd. 3. **Off-sale not exclusive to brewery premises.** Any brand sold under this section must be made available for sale to a malt liquor wholesaler, other than a wholesaler owned in whole or in part by a brewer as allowed in section 340A.301, subdivision 9.

Subd. 4. **Exception; production in 2021.** Notwithstanding the 7,500 barrel limit in subdivision 1, a brewer licensed under section 340A.301, subdivision 6, clause (c), (i), or (j), that produced more than 5,500 barrels but not more than 13,500 barrels of malt liquor in calendar year 2021, as demonstrated by records from the Department of Revenue, may be issued a license under this section, provided that a brewer is only allowed to make the sales authorized in this section until the brewer's production exceeds its 2021 production amount by 2,000 barrels.

Subd. 5. **Other laws.** All other requirements of chapter 340A, not inconsistent with this section apply.

EFFECTIVE DATE. This section is effective the day following final enactment.

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

Subd. 8. **Interest in other business.** (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, importer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or 3.2 percent malt liquor license. The commissioner may not issue a license

under this section to a manufacturer, brewer, importer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, importer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

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

(c) A winery holding a license under subdivision 6, paragraph (b) that produces and sells, including sales from the winery's premises, no more than 2,500 barrels or its metric equivalent of cider made from apples in a calendar year may own or have an interest in a wholesaler that sells only the winery's apple-based cider products. The winery eligible to own or have an interest in a wholesaler under this subdivision must provide the commissioner with an affidavit stating that no existing wholesaler is available to represent and distribute the winery's apple-based cider to retail license holders.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 7. Minnesota Statutes 2020, section 340A.307, subdivision 1, is amended to read:

Subdivision 1. **Nondiscriminatory sales.** All licensed importers and manufacturers must offer for sale on an equal basis to all licensed wholesalers and manufacturers all intoxicating liquor brought into or produced in the state of Minnesota.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 8. Minnesota Statutes 2020, section 340A.307, subdivision 2, is amended to read:

Subd. 2. **Prohibited practices.** Without limiting subdivision 1, the following are failures to offer intoxicating liquor for sale on an equal basis and are unlawful:

(1) A refusal to sell to a wholesaler or manufacturer intoxicating liquor offered for sale to any other wholesaler or manufacturer, except when a wholesaler or manufacturer is in arrears on payments for past purchases from the importer or manufacturer who refuses to sell.

(2) A sale of intoxicating liquor to a wholesaler or manufacturer at a price different from that offered to another wholesaler or manufacturer, exclusive of shipping costs, except that quantity discounts based on actual cost savings may be uniformly offered to all wholesalers and manufacturers.

(3) A sale of intoxicating liquor to a wholesaler or manufacturer on terms of purchase different from those offered another wholesaler or manufacturer, except that when the importer or manufacturer reasonably believes that a wholesaler or manufacturer will be unable to comply with the existing terms of credit, other terms may be employed, including denial of credit.

(4) Discrimination among wholesalers and manufacturers in satisfying their respective demands for intoxicating liquor.

(5) A sale conditioned on an agreement which restricts the wholesaler or manufacturer with respect to customers, area for distribution, or resale price, or which otherwise restrains the wholesaler or manufacturer from competing in trade and commerce.

(6) For purposes of this subdivision and subdivision 1 only, the term "intoxicating liquor" does not include "pop wines" as they are defined by rule of the commissioner.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 9. Minnesota Statutes 2020, section 340A.307, subdivision 4, is amended to read:

Subd. 4. **Exceptions.** Nothing in this section applies to: wine or malt liquor of any alcohol content.

~~(1) wine or malt liquor of any alcohol content;~~

~~(2) intoxicating liquor which is:~~

~~(i) further distilled, refined, rectified, or blended within the state; and~~

~~(ii) bottled within the state and labeled with the importer's own labels after importation into the state; or~~

~~(3) any brand of intoxicating liquor which is offered for sale only in this state. No such brand shall vary from an existing or new brand sold in another state in any manner as to brand name, age, or proof of the product.~~

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 10. Minnesota Statutes 2020, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

(1) hotels;

(2) restaurants;

(3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests, except that a club may permit the general public to participate in a wine tasting conducted at the club under section 340A.419;

(5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the Minnesota Sports Facilities Authority;

(6) sports facilities located on land owned by the Metropolitan Sports Commission; ~~and~~

(7) exclusive liquor stores; and

(8) resorts as defined in section 157.15, subdivision 11.

(b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a theater within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the theater.

(c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a convention center within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the convention center. This paragraph does not apply to convention centers located in the seven-county metropolitan area.

(d) A ~~city~~ municipality may issue an on-sale wine license and an on-sale malt liquor license 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 located within the ~~city~~ municipality for the purposes of summer collegiate league baseball games, town ball games, and any other events at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending baseball games and any other events at the ballpark or stadium.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 11. Minnesota Statutes 2020, section 340A.404, subdivision 1a, is amended to read:

Subd. 1a. ~~Cities~~ **Municipalities; auto racing facilities.** A ~~city~~ municipality may issue an on-sale intoxicating liquor license to an auto racing facility located in the ~~city~~ municipality. The license may authorize sales both to persons attending any and all events at the facility, and sales in a restaurant, bar, or banquet facility located on the premises of the auto racing facility. The license authorizes sales on all days of the week. The license may be issued for a space that is not compact and contiguous, provided that the licensed premises may include only the space within a defined area as described in the application for the license.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 12. Minnesota Statutes 2020, section 340A.404, subdivision 6, is amended to read:

Subd. 6. **Counties.** (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, club, ~~or hotel,~~ or resort as defined in section 157.15, subdivision 11, with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated. Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 13. Minnesota Statutes 2020, section 340A.404, subdivision 10, is amended to read:

Subd. 10. **Temporary on-sale licenses.** (a) The governing body of a municipality may issue to (1) a club or charitable, religious, or other nonprofit organization in existence for at least three years, (2) a political committee registered under section 10A.14, or (3) a state university, a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the licensee. The license may authorize the on-sale of intoxicating liquor for not more than four consecutive days, except as provided for county fairs in section 340A.410, subdivision 10, and may authorize on-sales 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 issued by any municipality. The licenses are subject to the terms, including a license fee, imposed by the issuing municipality. Licenses issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except sections 340A.409 and 340A.504, subdivision 3, paragraph (d), and those laws and ordinances which by their nature are not applicable. Licenses under this subdivision are not valid unless first approved by the commissioner of public safety.

(b) A county under this section may issue a temporary license only to a premises located in the unincorporated or unorganized territory of the county.

(c) The governing body of a municipality may issue to a brewer who manufactures fewer than 3,500 barrels of malt liquor in a year or a microdistillery a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the brewer or microdistillery. The terms and conditions specified for temporary licenses under paragraph (a) shall apply to a license issued under this paragraph, except that the requirements of section 340A.409, subdivisions 1 to 3a, shall apply to the license.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 14. Minnesota Statutes 2020, section 340A.410, subdivision 10, is amended to read:

Subd. 10. **Temporary licenses; restrictions.** (a) A municipality may not issue more than three four-day, four three-day, six two-day, or 12 one-day temporary licenses, in any combination not to exceed 12 days per year, under section 340A.404, subdivision 10, for the sale of alcoholic beverages to any one organization or registered political committee, or for any one location, within a 12-month period.

~~(b) A municipality may not issue more than one temporary license under section 340A.404, subdivision 10, for the sale of alcoholic beverages to any one organization or registered political committee, 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 municipality.~~

~~This restriction does not apply to a municipality with a population of 5,000 or fewer people.~~

~~(e) (b)~~ A municipality that issues separate temporary wine and liquor licenses may separately apply the limitations contained in ~~paragraphs~~ paragraph (a) and (b) to the issuance of such licenses to any one organization or registered political committee, or for any one location.

(c) In addition to the temporary licenses authorized in paragraph (a), a municipality may issue one seven-day temporary license per year to a county agricultural society established under section 38.01, for alcoholic beverage sales at a county fair.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 15. Minnesota Statutes 2020, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

- (1) alcoholic beverages;
- (2) tobacco products;
- (3) ice;
- (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;
- (5) soft drinks;
- (6) liqueur-filled candies;
- (7) food products that contain more than one-half of one percent alcohol by volume;
- (8) cork extraction devices;
- (9) books and videos on the use of alcoholic beverages;
- (10) magazines and other publications published primarily for information and education on alcoholic beverages;
- (11) multiple-use bags designed to carry purchased items;
- (12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers;
- (13) home brewing equipment; ~~and~~

(14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo;

(15) citrus fruit; and

(16) glassware.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 16. Minnesota Statutes 2020, section 340A.504, is amended by adding a subdivision to read:

Subd. 8. 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 section, during a FIFA Women's World Cup competition or FIFA World Cup competition, a licensing jurisdiction may, at its discretion, issue special permits for service of alcohol through extended hours. The permit only authorizes the sale of alcoholic beverages 30 minutes before, during, and 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. Local licensing jurisdictions issuing special permits to operate with extended hours under this subdivision may charge a fee up to but not to exceed \$250 for a permit. In the process of issuing a permit under this section, the licensing jurisdiction may limit approval to specified geographic, zoning, or license classifications within its jurisdiction.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 17. **[340A.915] LIQUOR REGULATION ADVISORY COUNCIL.**

Subdivision 1. Creation; composition. (a) There is created a permanent Liquor Regulation Advisory Council. This council does not expire unless the council no longer fulfills the purpose for which the council was established, the council has not met in the last 18 months, or the council does not comply with the registration requirements of section 15.0599, subdivision 3. The council shall consist of 12 voting members, to be appointed by the governor as follows:

(1) four members must represent retailers, as follows:

(i) one member must represent or be employed by a municipal liquor store established under section 340A.601;

(ii) one member must represent or be employed by an exclusive liquor store;

(iii) one member must represent or be employed by a restaurant that has been issued an on-sale intoxicating liquor license under section 340A.404, subdivision 1, paragraph (a), clause (2), or subdivision 6; and

(iv) one member must represent or be employed by a food retailer or convenience store;

(2) four members must represent wholesalers, as follows:

(i) one member must be a member of an organized labor organization representing the employees of a wholesaler;

(ii) one member must represent or be employed by a wholesaler of distilled spirits;

(iii) one member must represent or be employed by a malt liquor wholesaler other than a wholesaler described in section 340A.301, subdivision 9, paragraph (g); and

(iv) one member must represent or be employed by any wholesaler of alcoholic beverages; and

(3) four members must represent manufacturers, as follows:

(i) one member must be the holder of a brewer's license under section 340A.301, subdivision 6, paragraph (c), (i), or (j), that brews no more than 20,000 barrels of its own brands of malt liquor annually;

(ii) one member must be the holder of a microdistillery license under section 340A.22;

(iii) one member must represent or be employed by a farm winery licensed under section 340A.315; and

(iv) one member must represent or be employed by a licensed manufacturer other than a manufacturer described in items (i) to (iii).

(b) Each council member shall appoint an alternate. Alternates shall serve in the absence of the member they replace.

(c) The appointed voting members shall serve for terms of five years and may be reappointed.

(d) The speaker of the house and minority leader of the house of representatives shall each appoint a caucus member as a liaison to the council. The majority and minority leaders of the senate shall each appoint a caucus member to serve as a liaison to the council.

(e) The compensation and removal of members shall be as provided in section 15.059.

(f) The governor must appoint a member of the council to serve as chair. The chair is the presiding officer at all meetings of the council.

Subd. 2. **Duties; recommendations.** The council must submit its recommendations with respect to amendments to this chapter having a statewide impact by February 1 of each year to the committees of the legislature with jurisdiction over liquor regulation and shall report its views upon any pending bill relating to this chapter to the proper legislative committee. A recommendation may not be made by the council unless it is supported by a majority of the council members, provided that at least one member from each group described in subdivision 1, paragraph (a), clauses (1) to (3), supports the recommendation. At the request of the chairs of the senate or house of representatives committees that hear liquor regulation matters, the commissioner or the commissioner's designee must schedule a meeting of the council with the members of the committees to discuss matters of legislative concern arising under this chapter.

Subd. 3. **Meetings; voting.** (a) The council must meet as frequently as necessary to carry out its duties and responsibilities. The council may also conduct public hearings throughout the state as may be necessary to give interested persons an opportunity to comment and make suggestions on the operation of the state's regulatory system for alcoholic beverages.

(b) The meetings of the council are subject to the state's Open Meeting Law, chapter 13D, except that each group described in subdivision 1, paragraph (a), clauses (1) to (3), may meet in separate closed caucuses for the purpose of deliberating on matters before the council. All votes of the council must be public and recorded.

Subd. 4. **Executive director.** (a) The commissioner or the commissioner's designee must appoint an executive director of the council.

(b) The executive director shall provide administrative support and information to the council in order to allow it to monitor all elements of Minnesota's regulatory system for alcoholic beverages.

Subd. 5. **Administrative support.** The commissioner must supply necessary office space, supplies, and staff support to assist the council and its executive director in their duties.

EFFECTIVE DATE. This section is effective after June 30, 2022.

Sec. 18. **SPECIAL PROVISION; TAX ON FERMENTED MALT BEVERAGES.**

Notwithstanding any law to the contrary, sake produced by an establishment producing sake in this state prior to March 1, 2012, under a brew pub license issued under Minnesota Statutes, section 340A.24, is a fermented malt beverage for purposes of imposing the tax under Minnesota Statutes, chapter 297G. No refunds may be issued under this section for tax paid under Minnesota Statutes, section 297G.03, before the date of enactment.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 19. **SERVICE OF ALCOHOLIC BEVERAGES; PERSONS 17 YEARS OF AGE.**

(a) Notwithstanding Minnesota Statutes, section 340A.412, subdivision 10, or any other law, charter provision, or ordinance to the contrary, a person who is 17 years of age may serve or sell intoxicating liquor in a retail establishment that has an on-sale intoxicating liquor license, provided that the person does not tend bar.

(b) This section expires two years following the date of final enactment.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 20. **APPROPRIATION.**

\$250,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for the purpose of hiring two additional full-time employees in the Division of Alcohol and Gambling Enforcement.

ARTICLE 2
DIRECT SHIPPED WINE

Section 1. Minnesota Statutes 2020, section 13.6905, is amended by adding a subdivision to read:

Subd. 36. **Direct wine shipments.** Data obtained and shared by the commissioner of public safety relating to direct shipments of wine are governed by sections 340A.550 and 340A.555.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2020, section 295.75, subdivision 4, is amended to read:

Subd. 4. **Tax collection required.** A liquor retailer with nexus in Minnesota or a direct ship winery as defined in section 340A.550, who is not subject to tax under subdivision 2, is required to collect the tax imposed under subdivision 3 from the purchaser of the liquor and give the purchaser a receipt for the tax paid. The tax collected must be remitted to the commissioner in the same manner prescribed for the taxes imposed under chapter 297A.

EFFECTIVE DATE. This section is effective for sales and purchases occurring on or after July 1, 2022.

Sec. 3. Minnesota Statutes 2020, section 297A.83, subdivision 1, is amended to read:

Subdivision 1. **Persons applying.** (a) A retailer required to collect and remit sales taxes under section 297A.66 or a direct ship winery as defined in section 340A.550 shall file with the commissioner an application for a permit under this section.

(b) A retailer making retail sales from outside this state to a destination within this state who is not required to obtain a permit under paragraph (a) may nevertheless voluntarily file an application for a permit.

(c) The commissioner may require any person or class of persons obligated to file a use tax return under section 289A.11, subdivision 3, to file an application for a permit.

EFFECTIVE DATE. This section is effective for permits applied for after June 30, 2022.

Sec. 4. Minnesota Statutes 2020, section 297G.07, subdivision 1, is amended to read:

Subdivision 1. **Exemptions.** The following are not subject to the excise tax:

- (1) Sales by a manufacturer, brewer, or wholesaler for shipment outside the state in interstate commerce.
- (2) Alcoholic beverages sold or transferred between Minnesota wholesalers.
- (3) Sales to common carriers engaged in interstate transportation of passengers, except as provided in this chapter.
- (4) Malt beverages served by a brewery for on-premise consumption at no charge, or distributed to brewery employees for on-premise consumption under a labor contract.
- ~~(5) Shipments of wine to Minnesota residents under section 340A.417.~~
- ~~(6) (5) Fruit juices naturally fermented or beer naturally brewed in the home for family use and not sold or offered for sale.~~
- ~~(7) (6) Sales of wine for sacramental purposes under section 340A.316.~~
- ~~(8) (7) Alcoholic beverages sold to authorized manufacturers of food products or pharmaceutical firms. The alcoholic beverage must be used exclusively in the manufacture of food products or medicines. For purposes of this clause, "manufacturer" means a person who manufactures food products intended for sale to wholesalers or retailers for ultimate sale to the consumer.~~
- ~~(9) (8) Liqueur-filled candy.~~
- ~~(10) (9) Sales to a federal agency, that the state of Minnesota is prohibited from taxing under the Constitution or laws of the United States or under the Constitution of Minnesota.~~
- ~~(11) (10) Sales to Indian tribes as defined in section 297G.08.~~
- ~~(12) (11) Shipments of intoxicating liquor from foreign countries to diplomatic personnel of foreign countries assigned to service in this state.~~
- ~~(13) (12) Shipments of bulk distilled spirits or bulk wine to farm wineries licensed under section 340A.315 for input to the final product.~~

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 5. Minnesota Statutes 2020, section 299A.706, is amended to read:

299A.706 ALCOHOL ENFORCEMENT ACCOUNT; APPROPRIATION.

An alcohol enforcement account is created in the special revenue fund, consisting of money credited to the account by law. Money in the account may be appropriated by law for (1) costs of the Alcohol and Gambling Division related to administration and enforcement of sections 340A.403, subdivision 4; 340A.414, subdivision 1a; ~~and~~ 340A.504, subdivision 7; and 340A.550, subdivisions 2, 4, 5, and 6; and (2) costs of the State Patrol.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 6. Minnesota Statutes 2020, section 340A.304, is amended to read:

340A.304 LICENSE SUSPENSION AND REVOCATION.

The commissioner shall revoke, or suspend for up to 60 days, a license issued under section 340A.301 ~~or~~, 340A.302, or 340A.550, or impose a fine of up to \$2,000 for each violation, on a finding that the licensee has violated a state law or rule of the commissioner relating to the possession, sale, transportation, or importation of alcoholic beverages. A license revocation or suspension under this section is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 7. Minnesota Statutes 2020, section 340A.417, is amended to read:

340A.417 WINE SHIPMENTS INTO MINNESOTA.

(a) Notwithstanding section 297G.07, subdivision 2, or any provision of this chapter except for section 340A.550, a winery licensed in a state other than Minnesota, or a winery located in Minnesota, may ship, for personal use and not for resale, not more than ~~two cases~~ 12 cases of wine, containing a maximum of nine liters per case, in any calendar year to any resident of Minnesota age 21 or over. ~~Delivery of a shipment under this section may not be deemed a sale in this state.~~

(b) The shipping container of any wine sent under this section must be clearly marked "Alcoholic Beverages: adult signature (over 21 years of age) required."

(c) It is not the intent of this section to impair the distribution of wine through distributors or importing distributors, but only to permit shipments of wine for personal use.

(d) Except for a violation of section 295.75 or chapters 297A and 297G, no criminal penalty may be imposed on a person for a violation of this section or section 340A.550 other than a violation described in paragraph (e) or (f). Whenever it appears to the commissioner that any person has engaged in any act or practice constituting a violation of this section, or section 340A.550 and the violation is not within two years of any previous violation of this section, the commissioner shall issue and cause to be served upon the person an order requiring the person to cease and desist from violating this section. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing shall be held not later than ~~seven~~ 20 days after the request for the hearing is received by the commissioner after which and within 20 days after the receipt of the administrative law judge's report and subsequent exceptions and argument, the commissioner shall issue an order vacating the cease and desist order, modifying it, or making it permanent as the facts require. If no hearing is requested within 30 days of the service of the order, the order becomes final and remains in effect until modified or vacated by the commissioner. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(e) Any person who violates this section or section 340A.550 within two years of a violation for which a cease and desist order was issued under paragraph (d), is guilty of a misdemeanor.

(f) Any person who commits a third or subsequent violation of this section or section 340A.550 within any subsequent two-year period is guilty of a gross misdemeanor.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 8. **[340A.550] DIRECT SHIPMENTS OF WINE; LICENSING, TAXATION, AND RESTRICTIONS.**

Subdivision 1. Definitions. (a) "Direct ship purchaser" means a person who purchases wine for personal use and not for resale from a winery located in a state other than Minnesota for delivery to a Minnesota address.

(b) "Direct ship winery" means a winery licensed in a state other than Minnesota that manufactures and makes a retail sale of wine and ships the wine to a direct ship purchaser as authorized under section 340A.417.

Subd. 2. License requirements. (a) A direct ship winery must apply to the commissioner for a direct ship license. The commissioner must not issue a license under this section unless the applicant:

(1) is a licensed winery in a state other than Minnesota and provides a copy of its current license in any state in which it is licensed to manufacture wine;

(2) provides a shipping address list, including all addresses from which it intends to ship wine;

(3) agrees to comply with the requirements of subdivision 4; and

(4) consents to the jurisdiction of the Departments of Public Safety and Revenue, the courts of this state, and any statute, law, or rule in this state related to the administration or enforcement of this section, including any provision authorizing the commissioners of public safety and revenue to audit a direct ship winery for compliance with this and any related section.

(b) A direct ship winery obtaining a license under this section must annually renew its license by January 1 of each year and must inform the commissioner at the time of renewal of any changes to the information previously provided in paragraph (a).

(c) The application fee for a license is \$50. The fee for a license renewal is \$50. The commissioner must deposit all fees received under this subdivision in the alcohol enforcement account in the special revenue fund established under section 299A.706.

Subd. 3. Direct ship wineries; restrictions. (a) A direct ship winery may only ship wine from an address provided to the commissioner as required in subdivision 2, paragraph (a), clause (2), or through a third-party provider whose name and address the licensee provided to the commissioner in the licensee's application for a license.

(b) A direct ship winery or its third-party provider may only ship wine from the direct ship winery's own production.

Subd. 4. Taxation. A direct ship winery must:

(1) collect and remit the liquor gross receipts tax as required in section 295.75;

(2) apply for a permit as required in section 297A.83 and collect and remit the sales and use tax imposed as required in chapter 297A;

(3) remit the tax as required in chapter 297G; and

(4) provide a statement to the commissioner, on a form prescribed by the commissioner, detailing each shipment of wine made to a resident of this state and any other information required by the commissioner.

Subd. 5. **Private or nonpublic data; classification and sharing.** (a) Data collected, created, or maintained by the commissioner as required under this section are classified as private data on individuals or nonpublic data, as defined in section 13.02, subdivisions 9 and 12.

(b) The commissioner must share data classified as private or nonpublic under this section with the commissioner of revenue for purposes of administering section 295.75 and chapters 289A, 297A, and 297G.

Subd. 6. **Enforcement; penalties.** Section 340A.417, paragraphs (d), (e), and (f), apply to this section.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 9. **[340A.555] COMMON CARRIER REGULATIONS FOR DIRECT SHIPMENTS OF WINE.**

Subdivision 1. **Monthly report required.** Each common carrier that contracts with a winery under section 340A.417 for delivery of wine into this state must file with the commissioner a monthly report of known wine shipments made by the carrier. The report must be made in a form and manner as prescribed by the commissioner and must contain:

- (1) the name of the common carrier making the report;
- (2) the period of time covered by the report;
- (3) the name and business address of the consignor;
- (4) the name and address of the consignee;
- (5) the weight of the package delivered to the consignee;
- (6) a unique tracking number; and
- (7) the date of delivery.

Subd. 2. **Record availability and retention.** Upon written request by the commissioner, any records supporting the report in subdivision 1 must be made available to the commissioner within 30 days of the request. Any records containing information relating to a required report must be retained and preserved for a period of two years, unless destruction of the records prior to the end of the two-year period is authorized in writing by the commissioner. All retained records must be open and available for inspection by the commissioner upon written request. The commissioner must make the required reports available to any law enforcement agency or regulatory body of any local government in the state in which the common carrier making the report resides or does business.

Subd. 3. **Penalty.** If a common carrier willfully violates the requirement to report a delivery under this section or violates any rule related to the administration and enforcement of this section, the commissioner must notify the common carrier in writing of the violation. The commissioner may impose a fine in an amount not to exceed \$500 for each subsequent violation.

Subd. 4. **Exemptions.** This section does not apply to common carriers regulated as provided by United States Code, title 49, section 10101, et. seq.; or to rail trailer-on-flatcar/container-on-flatcar (TOFC/COFC) service, as provided by Code of Federal Regulations, title 49, section 1090.1; or highway TOFC/COFC service provided by a rail carrier, either itself or jointly with a motor carrier, as part of continuous intermodal freight transportation, including but not limited to any other TOFC/COFC transportation as defined under federal law.

Subd. 5. **Private or nonpublic data; classification and sharing.** (a) Data collected, created, or maintained by the commissioner as required under subdivision 1, clauses (4) to (6), are classified as private data on individuals or nonpublic data, as defined in section 13.02, subdivisions 9 and 12.

(b) The commissioner must share data classified as private or nonpublic under this section with the commissioner of revenue for purposes of administering section 295.75 and chapters 289A, 297A, and 297G.

EFFECTIVE DATE. This section is effective July 1, 2022.

Sec. 10. **APPROPRIATIONS.**

(a) \$568,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety for the Division of Alcohol and Gambling Enforcement to implement and administer this article. The base for this appropriation is \$441,000 in fiscal year 2024 and \$441,000 in fiscal year 2025.

(b) \$166,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of revenue to administer the tax provisions of this article. The base for this appropriation is \$130,000 in fiscal year 2024 and \$130,000 in fiscal year 2025.

ARTICLE 3
SPECIAL LOCAL LIQUOR LAWS

Section 1. **CITY OF WILLMAR; ON-SALE LICENSE.**

Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Willmar may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a junior league hockey team or to a person holding a concessions or management contract with the city or the team owner for beverage sales at the Willmar Civic Center. The licenses must authorize the dispensing of wine or malt liquor only to persons attending events at the civic center for consumption on the premises. A license issued under this section authorizes sales on all days of the week to persons attending junior hockey league games or other events at the civic center.

EFFECTIVE DATE. This section is effective upon approval by the Willmar City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 2. **CITY OF SAUK RAPIDS; ON-SALE LICENSE.**

(a) Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Sauk Rapids may issue an on-sale intoxicating liquor license to an entity holding a management or concessions contract with the city for operation within Bob Cross Regional Park. The license must authorize the service of intoxicating liquor only to persons attending events scheduled or organized by the entity, for consumption within Bob Cross Regional Park.

(b) Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Sauk Rapids may issue an on-sale intoxicating liquor license to an entity holding a concessions or management contract with the city for operation of a regional event center located within Lions Park or Southside Park. The license must authorize the service of intoxicating liquor only to persons attending events scheduled or organized by the entity, for consumption within Lions Park or Southside Park.

(c) A license issued under this section authorizes sales on all days of the week. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply.

EFFECTIVE DATE. This section is effective upon approval by the Sauk Rapids City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 3. **CITY OF ST. PAUL; LICENSE AUTHORIZED.**

Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St. Paul may issue a temporary on-sale malt liquor license to the Thai Cultural Council of Minnesota. The license may authorize the sale of malt liquor on the grounds of the State Capitol for both days of the Minnesota Songkran Festival. All provisions of Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section, apply to the license authorized by this section.

EFFECTIVE DATE. This section is effective upon approval by the St. Paul City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 4. **CITY OF ST. CLOUD; ON-SALE LICENSE.**

Notwithstanding any law or ordinance to the contrary, the city of St. Cloud may issue an on-sale wine license and an on-sale malt liquor license to a city recreation facility known as Whitney Recreation, located at 1529 Northway Drive, that is owned by the city. The license must authorize the dispensing of wine or malt liquor only to persons attending events anywhere on the property described as Whitney Park. The license may be issued to the city of St. Cloud or to any persons under contract or agreement with the city with respect to the operation of the facilities. The license authorizes sales on all days of the week. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section shall apply.

EFFECTIVE DATE. This section is effective upon approval by the St. Cloud City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 5. **CITY OF ANOKA; SPECIAL LICENSE.**

Subdivision 1. **Social district; consumption allowed.** The city of Anoka may issue a social district license to any holder of an on-sale license whose on-sale premises is contiguous with the premises of the social district designated in subdivision 2. The license authorizes consumption, but not sales or service, of alcoholic beverages sold by the on-sale licensee within the social district.

Subd. 2. **Designation of social district.** (a) Prior to issuing the license in subdivision 1, the city of Anoka must designate and describe the premises of the social district. The district may not include any area under the ownership or control of a person that objects to the extension of the social district to that area.

(b) The designation must include the specific premises where consumption of alcoholic beverages is allowed and also include the proposed hours and days in which consumption of alcoholic beverages is allowed in the social district. The city of Anoka must adopt the designation by ordinance prior to issuing the license in subdivision 1.

Subd. 3. **Boundaries clearly defined.** The social district must be clearly defined with signs posted in a conspicuous location indicating the area included in the social district and the days and hours during which alcoholic beverages may be consumed in the district. In addition, signs must include:

(1) the local law enforcement agency with jurisdiction over the area comprising the social district; and

(2) a clear statement that an alcoholic beverage purchased for consumption in the social district shall:

(i) only be consumed in the social district; and

(ii) be disposed of before the person in possession of the alcoholic beverage exits the social district unless the person is reentering the licensed premises where the alcoholic beverage was purchased.

Subd. 4. **Management and maintenance.** The city of Anoka must establish management and maintenance plans for the social district and post these plans, along with a rendering of the boundaries of the social district and days and hours during which alcoholic beverages may be consumed in the district, on the website for the city of Anoka. The social district must be maintained in a manner that protects the health and safety of the general public.

Subd. 5. **Requirements for on-sale licensees.** An on-sale licensee holding a social district license may only sell and serve alcoholic beverages on the premises specified in the licensee's on-sale license. The licensee must not allow a person to enter or reenter its on-sale licensed premises with an alcoholic beverage not sold by the on-sale licensee. Sales for consumption in the social district must meet the following container requirements:

- (1) the container clearly identifies the on-sale licensee from which the alcoholic beverage was purchased;
- (2) the container clearly displays a logo or some other mark that is unique to the social district in which it will be consumed;
- (3) the container is not comprised of glass;
- (4) the container displays, in no less than 12-point font, the statement, "Drink Responsibly - Be 21."; and
- (5) the container shall not hold more than 16 fluid ounces.

Subd. 6. **Additional social district requirements.** The possession and consumption of an alcoholic beverage in a social district is subject to all of the following requirements:

- (1) only alcoholic beverages purchased from an on sale-licensee holding a social district license located in or contiguous to the social district may be possessed and consumed in the district;
- (2) alcoholic beverages shall only be in containers meeting the requirements set forth in subdivision 5;
- (3) alcoholic beverages shall only be possessed and consumed during the days and hours set by the city of Anoka as specified in subdivision 2; and
- (4) a person shall dispose of any alcoholic beverage in the person's possession prior to exiting the social district unless the person is reentering the on-sale licensed premises where the alcoholic beverage was purchased.

EFFECTIVE DATE. This section is effective upon approval by the Anoka City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 6. **CITY OF ROCHESTER; ON-SALE LICENSE.**

Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Rochester may issue an on-sale wine license and an on-sale malt liquor license to a nonprofit association comprised of members participating in adult athletic competitions and related events at the McQuillan Park Softball Complex. The licenses must authorize the dispensing of wine or malt liquor only to persons attending events at the complex for consumption on the premises. A license issued under this section authorizes sales on all days of the week to persons attending adult events at the complex.

EFFECTIVE DATE. This section is effective upon approval by the Rochester City Council and compliance with Minnesota Statutes, section 645.021.

Delete the title and insert:

"A bill for an act relating to liquor; modifying various provisions regulating the sale and production of intoxicating liquor; modifying various licensing provisions; establishing a liquor regulation advisory council; providing for tax on certain malt beverages; providing for direct shipments of wine; authorizing local licenses;

appropriating money; amending Minnesota Statutes 2020, sections 13.6905, by adding a subdivision; 295.75, subdivision 4; 297A.83, subdivision 1; 297G.07, subdivision 1; 299A.706; 340A.101, subdivision 16, by adding a subdivision; 340A.22; 340A.28, subdivision 2; 340A.301, subdivision 8; 340A.304; 340A.307, subdivisions 1, 2, 4; 340A.404, subdivisions 1, 1a, 6, 10; 340A.410, subdivision 10; 340A.412, subdivision 14; 340A.417; 340A.504, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 340A."

The motion prevailed and the amendment was adopted.

Stephenson moved to amend S. F. No. 3008, the first engrossment, as amended, as follows:

Page 14, delete section 18

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Franson moved to amend S. F. No. 3008, the first engrossment, as amended, as follows:

Page 25, after line 27, insert:

"Sec. 7. **CITY OF ALEXANDRIA; ON-SALE LICENSE.**

Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Alexandria may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a junior league hockey team or to a person holding a concessions or management contract with the city or the team owner for beverage sales at the Runestone Community Center. The licenses must authorize the dispensing of wine or malt liquor only to persons attending events at the community center for consumption on the premises. A license issued under this section authorizes sales on all days of the week to persons attending junior league hockey games or other events at the community center.

EFFECTIVE DATE. This section is effective upon approval by the Alexandria City Council and compliance with Minnesota Statutes, section 645.021."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Munson moved to amend S. F. No. 3008, the first engrossment, as amended, as follows:

Page 25, after line 27, insert:

"Sec. 7. **OFF-SALE LICENSE; CITY OF MADELIA.**

Notwithstanding any law, ordinance, or charter provision to the contrary, the city of Madelia may issue an off-sale license to the holder of an on-sale wine license, for off-sale of wine sold at on-sale by the establishment. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized under this section.

EFFECTIVE DATE. This section is effective upon approval by the Madelia City Council and compliance with Minnesota Statutes, section 645.021."

Renumber the sections in sequence and correct the internal references

The motion did not prevail and the amendment was not adopted.

Neu Brindley moved to amend S. F. No. 3008, the first engrossment, as amended, as follows:

Page 12, delete section 17

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

S. F. No. 3008, A bill for an act relating to liquor; prohibiting exclusive contracts for distillers; amending Minnesota Statutes 2020, section 340A.307, subdivisions 1, 2, 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 85 yeas and 48 nays as follows:

Those who voted in the affirmative were:

| | | | | | |
|-------------|------------|-----------------|-----------|------------|--------------|
| Acomb | Ecklund | Hausman | Liebling | Nelson, M. | Sundin |
| Agbaje | Edelson | Her | Lillie | Noor | Thompson |
| Albright | Elkins | Hollins | Lippert | Olson, L. | Vang |
| Bahner | Feist | Hornstein | Lislegard | O'Neill | Wazlawik |
| Baker | Fischer | Howard | Long | Pelowski | Winkler |
| Becker-Finn | Franke | Huot | Mariani | Pfarr | Wolgamott |
| Berg | Frazier | Igo | Marquart | Pinto | Xiong, J. |
| Bernardy | Frederick | Jordan | Masin | Pryor | Xiong, T. |
| Bierman | Freiberg | Jurgens | McDonald | Raleigh | Youakim |
| Boe | Garofalo | Keeler | Moller | Reyer | Spk. Hortman |
| Boldon | Gomez | Klevorn | Moran | Richardson | |
| Burkel | Greenman | Koegel | Morrison | Sandell | |
| Carlson | Haley | Kotzya-Witthuhn | Mueller | Sandstede | |
| Christensen | Hansen, R. | Koznick | Murphy | Schultz | |
| Davnie | Hanson, J. | Lee | Nash | Stephenson | |

Those who voted in the negative were:

| | | | | | |
|----------|------------|------------|--------------|------------|------------|
| Akland | Davids | Gruenhagen | Lucero | Novotny | Robbins |
| Anderson | Demuth | Hamilton | Lueck | O'Driscoll | Schomacker |
| Backer | Dettmer | Heinrich | Mekeland | Olson, B. | Scott |
| Bahr | Drazkowski | Heintzeman | Miller | Petersburg | Swedzinski |
| Bennett | Erickson | Hertaus | Mortensen | Pierson | Theis |
| Bliss | Franson | Johnson | Munson | Poston | Torkelson |
| Daniels | Green | Kiel | Nelson, N. | Quam | Urdahl |
| Daudt | Grossell | Kresha | Neu Brindley | Rasmusson | West |

The bill was passed, as amended, and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Winkler from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 4649, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article XI, section 14; providing for renewal and modification of environment and natural resources trust fund; providing for housing fund and Housing Fund Council; modifying lottery provisions; appropriating money; amending Minnesota Statutes 2020, sections 349A.08, subdivision 5; 349A.10, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

MOTIONS AND RESOLUTIONS

Sundin moved that the name of Mekeland be added as an author on H. F. No. 803. The motion prevailed.

Edelson moved that the name of Rasmusson be added as an author on H. F. No. 2725. The motion prevailed.

Reyer moved that the name of Her be added as an author on H. F. No. 3719. The motion prevailed.

Igo moved that the name of Burkel be added as an author on H. F. No. 4810. The motion prevailed.

ADJOURNMENT

Winkler moved that when the House adjourns today it adjourn until 3:30 p.m., Thursday, May 12, 2022. The motion prevailed.

Winkler moved that the House adjourn. The motion prevailed, and Speaker pro tempore Moller declared the House stands adjourned until 3:30 p.m., Thursday, May 12, 2022.

PATRICK D. MURPHY, Chief Clerk, House of Representatives