Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division

Liquor License Overview 2022

The Three Tier System

Producer/Manufacturer
Typically a brewery, winery, or distillery

Distributor
Companies specifically designed to sell specific products to restaurants, bars, stores, etc

Retailer
Grocery & liquor stores, bars, restaurants, etc

You
“3.2” Beer

Minnesota is the last state with 3.2 (MN Statute 340A.403 and 340A.411)

Other states raised the limit on beer sold in their state to 5% alcohol by volume, this equates to 3.9% alcohol by weight.

Minnesota Rules Chapter 7515.1100 subpart 2 allows 3.2 licensed retail to sell 4% alcohol by volume as it equals 3.2% by weight.

Kegs, barrels, sealed cases and bottles and cans must be labeled in Minnesota as contains not more than 3.2 percent of alcohol by weight” or similar expression of like meaning.

If a product label does not indicate alcohol content as 3.2 by weight or 4% or less ABV (alcohol by volume) it cannot be sold at 3.2.

Many coolers and seltzers are classified as beer in Minnesota and labeled as 4% ABV

AN EDUCATION IN 3.2 BEER AND WHY IT’S NOT GOING AWAY

MINDFUL DRINKING ON THE RISE

LARGE BEER PRODUCERS

A COMPLETE LIST OF 3.2 BEERS

FOR MORE INFORMATION, VISIT MNSMART.ORG
“3.2” Beer

AGED and local issuing authorities cannot just upgrade a 3.2 business to strong beer wine or full on-sale. A business must qualify for the license. Full liquor and wine with strong beer license options can be found in Minnesota Statute 340A.404. Some businesses will qualify. Some will not.

Manufacture Licensing Overview
What makes a manufacturer?

Any process that creates or changes the formula of the alcohol product:

- Fermenting
- Rectifying
- Distilling
- Aging
- Bottling
- Blending

When is a license needed?

Anyone who manufactures alcohol (malt beverage or wine) for public consumption needs a manufacturing license

OR

Anyone manufacturing distilled spirits
(Cannot produce distilled spirits in any amount for personal use)

MN Statute 340A.301
Unlicensed Alcohol Manufacturing is a Felony

*Cannot produce distilled spirits in any amount for personal use
MN Statute 340A.301
• No person may direct or indirectly manufacture or sell at wholesale intoxicating liquor without obtaining proper licensing.

MN Statute 340A.701
• It is a felony to manufacture alcohol in violation of Chapter 340A.

U.S.C. Title 27 Chapter 19.51 Home Production of Distilled Spirits
• A person may not produce distilled spirits at home for personal use.

Unlicensed Manufacture in Minnesota
Manufacturing Licenses

Issued and Inspected by the State

✓ Brewery
✓ Brewpub
✓ Liquor Manufacturer
✓ Micro Distillery
✓ Farm Winery
✓ Commercial Winery

Brewer’s License

Micro Brewer – less than 2,000 barrels
Small Brewer – less than 3,500 barrels
MN Brewer – more than 3,500 barrels
More than 20,000 barrels annually
no growlers & no self distribution
MN Statute 340A.301
Brewery Taproom

Per MN Statute 340A.26

"Brewer taproom license authorizes on-sale of malt liquor produced by the brewer for consumption on the premises of or adjacent to one brewery location owned by the brewer."

Brewer that brews more than 250,000 barrels of malt liquor annually would not qualify
On-sale Taproom license is issued and approved by city.
License fee set by city. City certifies issue to AGED.

Brewer Off-Sale

MN Statutes 340A.28

Brewer’s who manufacture under 20,000 barrels annually may apply.

Limited to 750 barrels dedicated to off-sale annually.

Growler Sunday sales permitted

City issued state approved.

City sets fee base on limits set forth in 340A.408
What is a Growler?

**MN Statutes 340A.285**

**Off-Sale Package**

- 64 ounce or 750 milliliter container (glass, plastic, steel)
- Twist-type closure, cork, stopper, or plug
- Must have name and address of the brewer
- Must have label with type of malt beverage
- Brewery may refill any other growlers

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**Brew Pubs**

**MS 340A.24 Brew Pubs:**

- Retail on-sale liquor license (Full on-sale or Wine & Beer license required)
- Issued to a restaurant
- Manufacture malt beverage on premise to serve on premise
- Off-Sale growler license (with additional license)
Microbrewery vs Brew Pub

<table>
<thead>
<tr>
<th>Microbrewery</th>
<th>Brew Pub</th>
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<tbody>
<tr>
<td>• Can self-distribute their malt beverage to retail locations (with additional license)</td>
<td>• Cannot self distribute. Only can be served at their brew pub (and restaurants under the same company)</td>
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<td>• Cannot get an additional license to serve products other than what they produce</td>
<td>• Full on-sale license or Wine/Strong Beer License</td>
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<td>• Can have taproom adjacent to brewery with additional license</td>
<td>• Restaurant is their taproom</td>
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<tr>
<td>• On site Sunday sales allowed, no restaurant required</td>
<td>• On site Sunday sales allowed as restaurant, with Sunday license</td>
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<tr>
<td>• Can sell growlers at off-sale of their product with additional license (includes Sundays)</td>
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Micro Distilleries
MN Statute 340A.22

Manufacturer of distilled spirits
Must be able to produce a proof gallon of spirits

Small Micro Distiller produces up to 20,000 proof gallons
Micro Distiller produces up to 40,000 proof gallons
Fee set by AGED based on production
Cannot self distribute

Can provide 15 milliliter samples
To Qualify for retail distiller must produce 50 percent of the annual production of the licensee is processed and distilled on premises.
Distillery Cocktail Room
MN Statute 340A.22

Cocktail Room License can only be issued to distillery licensed by AGED

A micro distillery 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”

Sunday Sales allowed

Cocktail Room License is issued by the city, license fee set by city

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Distillery Off-Sale

Distilleries can sell
- one 375 milliliter bottle
  per person
  per visit
  per day

*Off-sale Hours & Days of sale apply

MN Statutes 340A.22 and 340A.504
License fee set by city
“Creativity” in the Industry

Large scale manufacture
Annual license fee $30,000.00 license issued by AGED
No Wholesale or retail allowed.

Liquor Manufacture
Farm Winery
MN Statute 340A.315

Winery located on a
MN Farm/Agricultural
land

Farm Winery

Have to operate on agriculture land or be issued CUP
Manufacture of wine (use 51% of MN produce)
Wholesale to on/off retailers
Can sell at on-sale and off-sale from the farm winery location
An optional on-sale/county on-sale license to sell other
alcoholic beverages
Wine Manufacturer

Intended to manufacture wine on a larger scale
Can also be a craft winery that is not a farm winery
Manufacture of wine (if 51% of MN produce) can retail their wine at both on and off-sale with no additional license (MN Statute 340A.301 subdivision 10)
CANNOT sell at wholesale to on/off retailers

Exceptions to Alcohol Manufacturer Statute

The Liquor Chapter permits the natural fermentation of fruit juices or brewing of beer in the home for family use.

Wine and Beer only

Does not apply to Distilled Spirits

MN Statute 340A.301 subd.11
Home Brewer/Wine Maker
MN Statute 340A.301 subd.11

The beer and wine can be taken out of the home for
  Organized affairs, exhibits or competitions (i.e. contests, tasting or judging)
  General public (over 21) may sample unlicensed, unregulated product
  Producer is required to disclose the product is unlicensed and consumption is done at their own risk
  CANNOT be sold or offered for sale

Retail Licensing Overview
340A.509 LOCAL RESTRICTIONS.

A local authority may impose further restrictions and regulations on the sale and possession of alcoholic beverages within its jurisdiction.

Evacuation ordinance
Sunday restrictions
Number of On/Off Sale licenses
Fee Structure

340A.401 LICENSE REQUIRED,

EXCEPT AS PROVIDED IN THIS CHAPTER, NO PERSON MAY DIRECTLY OR INDIRECTLY, ON ANY PRETENSE OR BY ANY DEVICE, SELL, BARTER, KEEP FOR SALE, CHARGE FOR POSSESSION, OR OTHERWISE DISPOSE OF ALCOHOLIC BEVERAGES AS PART OF A COMMERCIAL TRANSACTION WITHOUT HAVING OBTAINED THE REQUIRED LICENSE OR PERMIT.
### Who Can Have a Retail Alcohol License?

**MN Statute 340A.402**

- Must be 21
- No direct or indirect interest in a manufacturer, brewer, or wholesaler
- No felony (any felony) conviction within five years (check during background).
  - Can affect renewal city/county may choose not to renew
- No liquor license revoked within five years (check during background).
- Good moral character and repute?

### General License Information

- All alcoholic beverage licenses are valid for one year. (Exception county issued seasonal).
- Licenses are renewed annually.
- All licenses start with an application process at either the state or local level.
- All licenses require applicant background checks.
- State issued and approved licenses require a pre-license inspection. (Annual inspections of state issued and approved licenses is a goal).
Liquor License

Liquor Licenses are not a commodity, they cannot be sold or given to another

Not transferable - New owner = New License

Not movable - New location = New License

Basic Licensing Info

✓ New Licenses require;
✓ New insurance certificate
✓ New buyer’s card

✓ No more than one liquor license for one address
✓ Use Suite #’s, Floors, etc. to separate
On-Sale License
MN Statute 340A.404

On-sale is the sale of alcoholic beverages for consumption on the licensed premises only
Issued by municipality and certified by the state.
Allows for the sale and service of all liquor types
- Intoxicating liquor
- Wine
- Malt beverage
- Fee set by city

Limited Off-Sale by On-Sale License

Limited off-sale by on-sale license with take out food orders has ended.
Per statute, the authority to make limited off-sales of malt liquor, hard seltzer, cider, and wine expired when the closure of restaurants as set forth in Executive Orders expired or were terminated or rescinded.
Outdoor Seating?

No more creativity related to compact and contiguous.

What is Licensed?

Licensed premises is the premises described in the approved license application (i.e. patio or adjoining space)

Must be compact and contiguous

(MN Statute 340A.410 subd.7, MN Rules 7515.0430 subp.2)

No parking lots (*areas where motor vehicles are regularly parked or operated*)

*Exception only for restaurants, clubs or exclusive on-sale located on golf course

(MN Statute 340A.101 Subd.15)
On-Sale License

On-sale issued to:
(MN Statute 340A.404 subd.1)
- Hotels
- Restaurants
- Bowling Centers
- Clubs
- Exclusive Liquor Stores
- Theater
- Convention Centers *(not metro area)*
- Others as created via special legislation

(See 340A.404)

Off-Sale Liquor license

MN Statute 340A.405

Off-sale is the sale of alcoholic beverages in original packages for consumption off the licensed premises only.

Exclusive liquor store” is an establishment used exclusively for the sale of the following items:
- Liquor, Ice, Tobacco, Liquid mixes
- Food products that contain more than one-half of one percent alcohol by volume
- Home Brewing equipment
- Books, Magazines, videos about alcohol use
- Clothing with liquor store name
- Single use bags
- Cork extraction and safe storage devices

See 340A.408 for license fees
Temporary Liquor License
MN Statute 340A.404 subd.10

Issued to charitable, non-profit organizations in existence for 3 years or…
A registered political committee
A state university
A club
A brewer of less than 3,500 barrels produced annually
A micro distillery

Temporary Licensing

Email signed applications to:
AGE.TEMPORARYAPPLICATION@STATE.MN.US

A municipality may issue a three four-day, four three-day, six two-day, or twelve one-day temporary licenses in any combination, not to exceed 12 days per year to any one organization or political committee, or for any one location within a twelve month period. (MN Statute 340A.410 subdivision 10).

30 days between events (Does not apply to cities with a population of 5,000 or fewer)
Alcohol Catering Permits
MN Statute 340A.404 subd.12

Licensee applies directly to AGED
Must have valid on-sale license (full or wine)
Must be a restaurant with the legal ability to cater food requirements to cater alcohol legally in MN
Permit Holder MUST cater food
MUST notify local Law Enforcement
(Fee $300.00 good for one year liquor liability for off-site catered events required)

Consumption & Display

Allows for business to sell the mixes but not the alcohol
State issued with local consent
Staff cannot pour or store alcohol for consumers
Permit can be issued to:
- Applicant who has not had a felony or willful violation of the liquor chapter within five years
- Restaurant
- Hotel
- Establishment with 3.2 license
- Resort
- Club (can have lockers for storage)
- Bed and Breakfast

MN Statute 340A.414
A city may authorize a holder of a retail on-sale intoxicating liquor license (issued by city) to dispense intoxicating liquor off premises at a community festival held within the municipality.

The city shall specify the area where intoxicating liquor must be dispensed and consumed

Authorization shall not be issued unless the licensee has liability insurance to cover the event.

MN Statute 340A.404 subd.4
Liquor License Applications
https://dps.mn.gov/divisions/age/forms-documents/Pages/default.aspx

Liquor License Applications
Status of License
Liquor License Applications
Status of License

Alcohol & Gambling Enforcement License Office Contacts

James De LaHunt 651/201-7525  james.delahunt@state.mn.us
Brewers, Brew Pubs, Wineries, Distilleries, Wholesalers, Importers, Taproom, Brewer/Brew Pub Off Sales,
Cocktail Room, Distillery Off Sale, Common Carrier/ Tour Boats and Branch’s, Brand Labels.

Crystal Pietrzak 651/201-7510  crystal.pietrzak@state.mn.us
All Wine, Club, Off-Sale, County Licenses, Combination licenses (New & Renewal), All Iron Range Cities (New and Renewal, On & Off Sales)

Carl Allbrecht 651/201-7512  carl.allbrecht@state.mn.us
City Issued On-Sale Licenses (New & Renewal), Caterer Permits, Optional 2 AM Licenses, All 3.2 licenses,
Temporary Permits, Municipal Liquor Stores

Vacant
Consumption & Display permits, Ethyl Alcohol permits, and Buyer's cards (New and Renewals)
That’s It!