



## Request for City Council Committee Action from the Department of Regulatory Services

**Date:** October 21, 2009

**To:** Council Member Don Samuels

**Referral to:** Public Safety and Regulatory Services Committee

**Subject:** Amending Chapter 364 and 368 of the Minneapolis Code of Ordinances to clarify that liquor and beer service between 1 a.m. and 2 a.m. is authorized only for establishments that have obtained a permit from the commissioner of public safety under Minnesota Statute 340A.504, subd. 7, permitting sales after 1 a.m.

**Recommendation:** That the Public Safety and Regulatory Services Committee approve the amendment to Chapters 364 and 368 of the Minneapolis Code of Ordinances to clarify that liquor and beer service between 1 a.m. and 2 a.m. is authorized only for establishments that have obtained a permit from the commissioner of public safety under Minnesota Statute 340A.504, subd. 7, permitting sales after 1 a.m.

### Department Information

Prepared by: Ricardo Cervantes, Deputy Director \_\_\_\_\_  
Licenses and Consumer Services

Approved by: Rocco Forte \_\_\_\_\_  
Assistant City Coordinator

Presenters in Committee: Ricardo Cervantes

### Reviews

Permanent Review Committee (PRC): Approval \_\_\_ Date \_\_\_\_\_  
Civil Rights Approval Approval \_\_\_ Date \_\_\_\_\_  
Policy Review Group (PRG): Approval \_\_\_ Date \_\_\_\_\_

**Financial Impact** No financial impact

**Community Impact**

Neighborhood Notification: Notice of this proposed amendment was sent to all City of Minneapolis official neighborhood groups and business groups of record.

**Supporting Information**

**Staff Report**

In 2003, the Minnesota State Legislature passed HF 709, the omnibus liquor bill, allowing the sale of liquor and beer between 1 a.m. and 2 a.m. for bars that obtain a permit from the commissioner of public safety.

**340A.504 HOURS AND DAYS OF SALE.**

**Subd. 7. Sales after 1:00 a.m.; permit fee.**

(a) No licensee may sell intoxicating liquor or 3.2 percent malt liquor on-sale between the hours of 1:00 a.m. and 2:00 a.m. unless the licensee has obtained a permit from the commissioner. Application for the permit must be on a form the commissioner prescribes. Permits are effective for one year from date of issuance. For retailers of intoxicating liquor, the fee for the permit is based on the licensee's gross receipts from on-sales of alcoholic beverages in the 12 months prior to the month in which the permit is issued, and is at the following rates:

- (1) up to \$100,000 in gross receipts, \$300;
- (2) over \$100,000 but not over \$500,000 in gross receipts, \$750; and
- (3) over \$500,000 in gross receipts, \$1,000.

For a licensed retailer of intoxicating liquor who did not sell intoxicating liquor at on-sale for a full 12 months prior to the month in which the permit is issued, the fee is \$200. For a retailer of 3.2 percent malt liquor, the fee is \$200.

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

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

Later that year, the City Council amended Chapters 364 and 368 to align with the change in state law. However, the language adopted at that time actually changed the closing hour for all bars, not just those with a state permit.

The Division of Licensing and Consumer Services recently discovered an establishment serving intoxicating liquor and beer past 1 a.m. that does not have a state permit to do so. In researching whether to take an adverse licensing action against this establishment, the division discovered this discrepancy.

This proposed amendment will clarify that the service of beer and liquor between 1 a.m. and 2 a.m. is authorized only for establishments that obtain a permit from the commissioner of public safety under Minnesota Statute 340A.504, subd. 7, permitting sales after 1 a.m.

Table 1 shows the number of establishments in Minneapolis that are licensed to sell liquor and/or beer. Of those, 201 have state permits to sell between 1 a.m. and 2 a.m., as of August 27, 2009 (although some on the state list have gone out of business).

**Minneapolis Liquor License County by Type and Year (updated 6/12/09)**

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Liquor on sale</b>	270	303	325	348	370	383	390	363	373
<b>Liquor off sale</b>	44	44	44	44	46	48	45	45	45
<b>Wine on sale</b>	98	100	111	118	136	160	146	149	146
<b>Beer on sale</b>	42	41	39	35	27	21	17	12	11
<b>Beer off sale</b>	99	97	92	90	86	72	74	71	73
<b>Bottle clubs</b>	7	8	8	8	8	6	5	5	4
<b>Total</b>	<b>560</b>	<b>593</b>	<b>619</b>	<b>643</b>	<b>673</b>	<b>690</b>	<b>677</b>	<b>645</b>	<b>652</b>