



Request for City Council Committee Action from the Licenses and Consumer Services Division

Date: July 19, 2010

To: Elizabeth Glidden
Chair, Regulatory, Energy and Environment Committee

Subject: Amend Minneapolis Code of Ordinances, Chapter 362.45, "Off-Sale"
malt liquor.

Recommendation: Amend MCO 362.45 to allow a brewer licensed under Minnesota
Statutes 340A.301 to sell 64-ounce containers of malt liquor without
an on-sale liquor license.

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Approved by:

Ricardo Cervantes, Deputy Director of Licenses

Burt Osborne, Director of Licenses

Rocco Forte, Assistant City Coordinator

Policy Review Group (PRG) – No

Presenters in Committee Ricardo Cervantes

Financial Impact X No financial impact/Action is within current department budget

Background/Supporting Information

Microbreweries have become increasingly popular for both consumers and producers. According to the Brewers Association, "A microbrewery, or craft brewery, is a brewery which produces a limited amount of beer." Brewers licensed under Minn. Stat. 340A.301, Subd. 1, commonly referred to as microbreweries, are limited to less than 3,500 barrels of malt liquor per year. Surley's in Brooklyn Park is a familiar microbrewery which produces high quality, gourmet beer.

A growler is a 64-ounce container of beer produced on site. Minneapolis Code of Ordinance 362.45 allows establishments with an on-sale liquor license to sell growlers for consumption

off the premises. Currently Minneapolis has three establishments with a growlers license. They are Town Hall Brewery, Rock Bottom Brewery, and Moto-I.

Microbreweries that want to sell growlers are required to have an on-sale liquor license. The on-sale liquor license requires a full restaurant which seems to conflict with the microbrewery business model. The proposed ordinance amendment allows microbreweries to sell 64-ounce containers of beer without an on-sale liquor license.

Comparative Cities Research

The cities of Rochester, Duluth, Mankato and St. Cloud allow the sale of growlers in their off-sale liquor stores. None of the cities restrict the sale of growlers in microbreweries. An off sale license is required to sell a growler in a microbrewery.

Related Minnesota Statutes

Minn Statute 340A.301

Subdivision 1. Licenses required.

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

Recommendation

Amend MCO 362.45 to allow a brewer licensed under Minnesota Statutes 340A.301 to sell 64-ounce containers of malt liquor without an on-sale liquor license.