

ORDINANCE 671

***TITLE XI BUSINESS REGULATIONS,
CHAPTER 114 ALCOHOLIC BEVERAGES***

The City Council of the City of Cambridge hereby amends Title XI Business Regulations, Chapter 114 Alcoholic Beverages as follows:

CHAPTER 114: ALCOHOLIC BEVERAGES

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GENERAL PROVISIONS

~~§ 114.001 INTOXICATING LIQUOR, 3.2% MALT LIQUOR AND CONTROLLED SUBSTANCES PROHIBITED IN OR NEAR PUBLIC, PRIVATE OR PAROCHIAL SCHOOLS.~~

Conduct of persons in, on or near public and private schools is regulated as follows.

(A) — *General.* No person shall possess or consume on any school grounds or in any school building or structure any intoxicating liquor, 3.2% malt liquor or controlled substance.

(B) — *Defacement of school buildings.* No person shall mark with ink, paint, chalk or other substance, post handbills on or in any other manner deface or injure any school building or structure used or usable for school purposes within the city; mark, deface or injure fences, trees, lawns or fixtures appurtenant to or located on the site of the buildings; or post handbills on such fences, trees or fixtures or place a sign anywhere on any such site.

(C) — *Breach of peace on school grounds.* No person, on any school grounds adjacent to any school building or structure, shall engage in or prepare, attempt, offer or threaten to engage in or assist or conspire with another to engage in or congregate because of any riot, fight, brawl, tumultuous conduct, act of violence or any other conduct which disturbs the peace and quiet of another.

(D) — *Improper conduct while school in session.* No person shall, in any school room or in any building or on the grounds adjacent to the same, disturb or interrupt the peace and good order of such school while in session. Any person not in immediate attendance in such school and being in such building or upon the premises belonging thereto who shall conduct or behave himself or herself improperly, or who upon the request of a teacher of such school or the person in charge thereof to leave the building or premises, shall neglect or refuse so to do, shall be in violation of this section.

(E) — *Loitering or lurking.* No person shall loiter on any school grounds or in any school building or structure, nor lurk, lie in wait or be concealed with intent to do any mischief or to commit any crime or unlawful act.

~~§ 114.002 POSSESSION, CONSUMPTION AND SALE OF ALCOHOLIC BEVERAGES ON PUBLIC OWNED OR OPERATED PROPERTY PROHIBITED.~~

(A) — *Definitions.* For the purpose of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

— *Alcoholic Beverage.* Any beverage containing more than ½% alcohol by volume.

— *Public Owned Or Operated Property.* Real property which any public government body owns or which is leased or controlled by a governmental body, except for a municipally owned and operated off sale liquor store, Cambridge City Hall, City Center Mall and the Armed Forces Reserve and Community Center.

(B) — *Prohibition.* No person or licensee shall possess, consume or sell any alcoholic beverage or 3.2% malt liquor on any public owned or operated property in the city (note exceptions above). This prohibition does not apply to the transport of alcoholic beverages or 3.2% malt liquor as long as they are in their original, sealed container and packaging.

(C) — *Violations.*

(1) — *Possession or consumption.* Any person violating the provisions of this section as to possession or consumption of an alcoholic beverage on any public owned or operated property is guilty of a petty misdemeanor.

(2) — *Sale.* Any person violating the provisions of this section as to sale of an alcoholic beverage on any public owned or operated property is guilty of a misdemeanor.

§ 114.003 STATE LAW ADOPTED.

The provisions of Minnesota Statutes Chapter 340A, commonly known as the Liquor Act, are adopted and made part of this chapter as if set out in full. Whenever there is an inconsistency between the provisions of Minnesota Statutes Chapter 340A and the provisions of this chapter, the more restrictive shall govern.

§ 114.004 ALCOHOL COMPLIANCE CHECKS.

(A) — *Compliance checks.* Compliance checks shall mean the system the City uses to investigate and ensure that those authorized to sell alcohol, beer, or malt beverages are following and complying with the requirements of this ordinance. Compliance checks shall involve the use of minors as authorized by the City's ordinance and/or state statute.

Compliance checks shall also mean the use of minors who attempted to purchase alcohol, beer, or malt beverages for educational, research, and training purposes as authorized by state and federal laws.

(1) — *Compliance checks and inspections.* All licensed premises shall be open to inspection by the City or other authorized City representative during regular business hours. From time to time, but at least once per year the City shall conduct compliance checks by

~~engaging, with the written consent of their parents or guardians, minors over the age of seventeen (17) years but less than twenty one (21) years old to enter the licensed premises to attempt to purchase alcohol, beer, or malt beverages. Minors used for the purposes of compliance checks shall be supervised by City designated law enforcement officers or other designated City personnel. Minors used for compliance checks shall not be guilty of unlawful possession of alcohol, beer, or a malt beverage when such items are obtained as a part of a compliance check. No minor used in compliance checks shall attempt to use a false identification misrepresenting the minor's age.~~

~~The results of City conducted alcohol compliance checks can be used by the City to determine whether or not the license holder's application for renewal will be granted.~~

~~(B) — *Suspension and Civil Fine* — Failed Alcohol Compliance. If a licensee or an employee of a licensee is found to have sold alcohol, beer, or a malt beverage to a person under the age of 21, the licensee shall be subject to two additional compliance checks per year for a period of one year from imposition of any penalties as described below. These additional compliance checks shall be in addition to the annual renewal compliance check and shall be in addition to the range of administrative penalties as described below:~~

First offense	Written reprimand and an administrative penalty of \$150.00–\$750.00
Second offense Not within one year	A maximum suspension of one day Administrative penalty of \$150.00 – \$750.00
Second offense Within one year	A maximum suspension of up to three days Administrative penalty of \$500.00 – \$1,500.00
Third or Fourth offense Not within two years	A maximum suspension of up to seven days Administrative penalty of \$1,000.00 – \$2,000.00
Third offense Within two years	A maximum license suspension of up to ten days Administrative penalty of \$1,000.00 – \$2,000.00
Fourth offense Within two years	A suspension greater than 10 days with an administrative penalty of \$2,000.00 with a maximum penalty of license revocation and \$2,000.00 administrative penalty

~~§ 114.005 CHANGES IN INFORMATION.~~

~~Each licensee shall have the continuing duty to properly notify the City Clerk of any change in the information or facts required to be furnished on the application for a license. This duty shall continue throughout the period of the license, and failure to comply with this section shall constitute cause for revocation or suspension of the license.~~

~~**LICENSING AND REGULATING THE SALE AND CONSUMPTION OF 3.2% MALT LIQUOR**~~

~~§ 114.015 DEFINITIONS.~~

~~For the purpose of this subchapter, the following definitions shall apply unless the context~~

clearly indicates or requires a different meaning.

~~**3.2% Malt Liquor.** Any malt beverage with an alcoholic content of more than 1/2% by volume and not more than 3.2% by weight.~~

~~**3.2% Malt Liquor Store.** An establishment for the sale of 3.2% malt liquor, cigarettes, all forms of tobacco, beverages and soft drinks at retail.~~

~~§ 114.016 LICENSE REQUIRED.~~

~~(A) — *Licenses.* No person, except wholesalers and manufacturers to the extent authorized by law, shall deal in or dispose of by gift, sale or otherwise or keep or offer for sale any 3.2% malt liquor within the city without first having received a license as hereinafter provided. Licenses shall be of three kinds:~~

~~—— (1) — Regular “on sale;”~~

~~—— (2) — Temporary “on sale;”~~

~~—— (3) — “Off sale.”~~

~~(B) — *Regular “on sale.”* Regular “on sale” licenses shall be granted only to bona fide clubs, 3.2% malt liquor stores, exclusive “on sale” liquor stores, restaurants and hotels where food is prepared and served for consumption on the premises. “On sale” licenses shall permit the sale of 3.2% malt liquor for consumption on the premises only.~~

~~(C) — *Temporary “on sale.”* Temporary “on sale” licenses shall be granted only to bona fide clubs and charitable, religious and nonprofit organizations for the sale of 3.2% malt liquor for consumption on the premises only.~~

~~(D) — *“Off sale.”* “Off sale” licenses shall permit the sale of 3.2% malt liquor at retail, in the original package, for consumption off the premises only.~~

~~§ 114.017 LICENSE APPLICATIONS.~~

~~Every application for a license to sell 3.2% malt liquor shall be made to the City Clerk-Administrator on a form supplied by the city and containing such information as the City Clerk-Administrator of the City Council may require. It shall be unlawful to make any false statement in an application.~~

~~§ 114.018 LICENSE FEES.~~

~~(A) — *Payment required.* Each application for a license shall be accompanied by a receipt from the city for payment in full of the required fee for the license. All fees shall be paid into the General Fund of the city. Upon rejection of any application for license, the city shall refund the amount paid.~~

~~(B) — *Expiration; pro rata fees.* Every license except a temporary license shall expire on December 31 of each year. Each license, except a temporary license, shall be issued for a period of one year, except that if a portion of the license year has elapsed when the license is granted, the license shall be issued for the remainder of the year for a pro rata fee. In computing such fee, any unexpired fraction of a month shall be counted as one month. A temporary license shall be issued for a specific period in which a special event to which the sale in incident is being held and such period shall be stated on the license.~~

~~(C) — *Annual fees.* The annual fee for a regular “on-sale” license is \$400. The annual fee for an “off-sale” license is \$400. The fee for a temporary “on-sale” license is \$25 per day.~~

~~(D) — *Refunds.* No part of the fee paid for any license issued under this subchapter shall be refunded, except in the following instances upon application to the Council within ten days from the happening of the event. There shall be refunded a pro rata portion of the fee for the unexpired period of the license, computed on a monthly basis, when operation of the licensed business ceases not less than one month before expiration of the license because of:~~

~~—— (1) — Destruction or damage of the licensed premises by fire or other catastrophe;~~

~~—— (2) — The licensee’s illness;~~

~~—— (3) — The licensee’s death;~~

~~—— (4) — A change in the legal status of the municipality making it unlawful for the licensed business to continue.~~

~~§ 114.019 GRANTING OF LICENSE.~~

~~(A) — *Investigation.* The City Council shall investigate all facts set out in the application. After such investigation, the Council shall grant or refuse the application at its discretion.~~

~~(B) — *Transfers.* Each license shall be issued to the applicant only and shall not be transferable to another holder. Each license shall be issued only for the premises described in the application. No license may be transferred to another place without the approval of the Council.~~

~~(C) — *Proof of financial responsibility.* All licensees shall demonstrate proof of financial responsibility by filing one of the following:~~

~~—— (1) — A certificate that there is in effect an insurance policy or pool providing coverage of at least:~~

~~—— (a) — \$50,000 because of bodily injury to any one person in any one occurrence, and, subject to the limit for one person, in the amount of \$100,000 because of bodily injury to two or more persons in any one occurrence, and in the amount of \$10,000 because of injury to or destruction of property of others in any one occurrence; and~~

~~_____ (b) — \$50,000 for loss of means of support of any one person in any one occurrence, and, subject to the limit for one person, \$100,000 for loss of means of support for two or more persons in any one occurrence; and~~

~~_____ (2) — A bond of a surety company with minimum coverages as provided in this subchapter. A certificate of the State Treasurer that the licensee has deposited with him or her \$100,000 in cash or securities which may be legally purchased by savings banks or for trust funds having a market value of \$100,000.~~

~~_____ (3) — Operation of an “off-sale” or “on-sale” business without having on file at all times one of the documents required above is grounds for immediate revocation of the license.~~

~~§ 114.020 PERSONS INELIGIBLE FOR LICENSE.~~

~~No license shall be granted to or held by any person who:~~

~~(A) — Is under 21 years of age;~~

~~(B) — Has within five years prior to the application for the license been convicted of a felony or of violating any law of this state or local ordinance relating to the manufacture, sale, distribution or possession for sale or distribution of intoxicating liquors or 3.2% malt liquors and cannot show competent evidence under M.S. § 364.03, as it may be amended from time to time, of sufficient rehabilitation and present fitness to perform the duties of a 3.2% malt liquor license;~~

~~(C) — Is a manufacturer of 3.2% malt liquor or is interested in the control of any place where 3.2% malt liquor is manufactured;~~

~~(D) — Is an alien;~~

~~(E) — Is not of good moral character;~~

~~(F) — Is or during the period of this license becomes the holder of a federal retail liquor dealer’s special tax stamp for the sale of intoxicating liquor at any place unless there has also been issued to him or her a local license to sell intoxicating liquor at such place;~~

~~(G) — Is not the proprietor of the establishment for which the license is issued.~~

~~§ 114.021 PLACES INELIGIBLE FOR LICENSE.~~

~~(A) — *Conviction or revocation.* No license shall be granted for sale on any premises where a licensee has been convicted of a violation of this subchapter or of the state 3.2% malt liquor or liquor law or where any license hereunder has been revoked for cause until one year has elapsed after such conviction or revocation.~~

~~(B) — *Distance from schools and churches.* No annual license shall be granted for any place~~

~~within 200 feet of any public school or within 200 feet of any church (Exception: A temporary consumption and display permit may be applied for by a church for an event to be held on their premises). In applying this restriction, the distance shall be measured between the main front entrances following the route of ordinary pedestrian travel.~~

~~(C) — *Six months prior eligibility.* No regular “on-sale” license shall be granted for a business or club which has not been in operation and eligible to receive a license for at least six months immediately preceding the application for a license.~~

~~§ 114.022 CONDITIONS OF LICENSE.~~

~~(A) — *General conditions.* Every license shall be granted subject to the conditions in this section and all other provisions of this subchapter and of any other applicable ordinance of the city and state law.~~

~~(B) — *Sales to minors or intoxicated persons.* No 3.2% malt liquor shall be sold or served to any intoxicated person or to any person under 21 years of age.~~

~~(C) — *Employment of minors.* No minor under 18 shall be employed on the premises of a 3.2% off sale malt liquor license holder, unless an adult shall also be employed and present at the location when the minor is working.~~

~~(D) — *Gambling.* No gambling or any gambling device shall be permitted on any licensed premises, except those premises which have obtained licenses permitting gambling or gambling devices.~~

~~(E) — *Interest of manufacturers or wholesalers.* No manufacturer or wholesaler of 3.2% malt liquor shall have any ownership of or interest in an establishment licensed to sell at retail contrary to the provisions of M.S. § 340.031, as it may be amended from time to time. No retail licensee shall receive any benefits contrary to law from a manufacturer or wholesaler of 3.2% malt liquor, and no such manufacturer or wholesaler shall confer any benefits contrary to law upon a retail licensee.~~

~~(F) — *Liquor dealer’s stamp.* No licensee shall sell 3.2% malt liquor while holding or exhibiting in the licensed premises a federal retail liquor dealer’s special tax stamp unless he or she is licensed under the laws of Minnesota to sell intoxicating liquor.~~

~~(G) — *Sales of intoxicating liquor.* No licensee who is not also licensed to sell intoxicating liquor and who does not hold a consumption and display permit shall sell or permit the consumption or display of intoxicating liquors on the licensed premises or serve any liquids for the purpose of mixing with intoxicating liquor. The presence of intoxicating liquors on the premises of such a licensee shall be prima facie evidence of possession of intoxicating liquors for the purpose of sale; and the serving of any liquid for the purpose of mixing with intoxicating liquors shall be prima facie evidence that intoxicating liquor is being permitted to be consumed or displayed contrary to this subchapter.~~

~~(H) — *Searches and seizures.* Any peace officer may enter, inspect and search the premises of a licensee during business hours without a search and seizure warrant and may seize all intoxicating liquors found on the licensed premises in violation of division (G) of this section.~~

~~(I) — *Licensee responsibility.* Every licensee shall be responsible for the conduct of his or her licensed place of business and shall maintain conditions of sobriety and order.~~

~~(J) — *Banquet rooms.* A regular “on sale” license shall entitle the holder to serve 3.2% malt liquor in a separate room of the licensed premises for banquets or dinners at which are present not fewer than ten persons.~~

~~§ 114.023 CLOSING HOURS.~~

~~No sale of 3.2% malt liquor shall be made on any Sunday between the hours of 1:00 a.m. and 12:00 noon. No sale shall be made between the hours of 1:00 a.m. and 8:00 a.m. on any other day.~~

~~§ 114.024 CLUBS.~~

~~No club shall sell 3.2% malt liquor except to members and to guests in the company of members unless it has a license for such sales.~~

~~§ 114.026 REVOCATION.~~

~~The violation of any provision or condition of this subchapter by a 3.2% malt liquor licensee or his or her agent is grounds for revocation or suspension of the license. The license of any person who holds a federal retail liquor dealer’s special tax stamp without a license to sell intoxicating liquors at such place shall be revoked without hearing. In all other cases, a license granted under this subchapter may be revoked or suspended by the Council after written notice to the licensee and a public hearing. The notice shall give at least ten days notice of the time and place of the hearing and shall state the nature of the charges against the licensee. The Council may suspend any license pending a hearing on revocation or suspension. No suspension shall exceed 60 days.~~

~~§ 114.027 VIOLATION.~~

~~Any person violating any provision of this subchapter is guilty of a misdemeanor.~~

~~**LICENSING AND REGULATING THE ON-SALE AND CONSUMPTION OF INTOXICATING LIQUOR**~~

~~§ 114.041 LICENSE REQUIRED.~~

~~(A) — *General requirement.* No person, except a wholesaler or manufacturer to the extent authorized under state license, shall directly or indirectly deal in, sell or keep for sale in the city any intoxicating liquor without a license to do so as provided in this subchapter. Liquor licenses shall be of three kinds: “on sale,” “on sale” wine and club licenses.~~

~~(B) —“On sale licenses.” “On sale” licenses shall be issued only to hotels, clubs and restaurants and shall permit “on sale” of liquor only. An “on sale” license authorizes the sale of intoxicating liquor, for consumption on the licensed premises only, in conjunction with the sale of food prepared on the premises in a commercial kitchen. An “on sale” license may be issued only to a restaurant having facilities for seating not fewer than 25 guests at one time. For purposes of this subchapter, a restaurant means an establishment, under the control of a single proprietor or manager, having appropriate facilities for serving meals, and where, in consideration of payment thereof, meals are regularly served at tables to the general public and which employs adequate staff to provide the usual and suitable service to its guests.~~

~~(C) —“On sale” wine licenses. “On sale” wine licenses shall be issued only to restaurants meeting the qualifications of M.S. § 340A.404, Subd. 5, as it may be amended from time to time, and shall permit only the sale of wine not exceeding 14% alcohol by volume and the sale of intoxicating 3.2% malt liquor on Sunday, provided 60% of the licenses gross receipts must be attributed to the sale of food for consumption on the licensed premises only, in conjunction with the sale of food.~~

~~(D) —Special club licenses. Special club licenses shall be issued only to incorporated clubs or congressionally chartered veterans’ organizations which have been in existence at least three years.~~

~~(E) —Sunday on sale intoxicating liquor licenses. Sunday on sale intoxicating liquor licenses may be issued only to a restaurant, as defined in division (B) above, club, bowling center, or hotel as defined by M.S. § 340A.101, as it may be amended from time to time, with a seating capacity for at least 25 persons, and which holds an on sale intoxicating liquor license. Such establishments may sell intoxicating liquor on Sundays only during the hours and in compliance with all conditions established by state law.~~

~~(F) —Temporary Permits. A City may issue a temporary one to four day permit for the sale of intoxicating liquor under the provisions of Minnesota Statutes Chapter 340A.404, subd. 10 as may be amended from time to time. The permit must be approved by the Commissioner and is valid only for the day(s) indicated on the permit. The fee for the permit may not exceed \$25.00.~~

~~§ 114.042 APPLICATION FOR LICENSE.~~

~~(A) —Form. Every application for a license to sell liquor shall state the name of the applicant, his or her age, representations as to his or her character (with such references as the Council may require), his or her citizenship, the type of license applied for, the business in connection with which the proposed license will operate and its location, whether the applicant is owner and operator of the business, how long he or she has been in that business at that place and such other information as the Council may require from time to time. Every application shall also include a copy of each summons received by the applicant under M.S. § 340A.802, as it may be amended from time to time, during the preceding year. In addition to containing such information, the application shall be in the form prescribed by the Bureau of Criminal Apprehension and shall be verified and filed with the City Clerk Administrator City Administrator. No person shall make a~~

false statement in an application.

(B) — *Bond.* Each application for a license shall be accompanied by a surety bond or, in lieu thereof, cash or United States government bonds of equivalent market value as provided in M.S. § 340A.412, Subd. 1, as it may be amended from time to time. The surety bond or other security shall be in the sum of \$5,000 for an applicant for an “on-sale” license or an “on-sale” wine license.

(C) — *Financial responsibility.* No liquor license may be issued, maintained or renewed unless the applicant demonstrates proof of financial responsibility as defined in M.S. § 340A.409, as it may be amended from time to time, with regard to liability under M.S. § 340A.801, as it may be amended from time to time. Such proof shall be filed with the Department of Public Safety. Applicants for liquor licenses to whom the requirement for proof of financial responsibility applies include applicants for wine licenses with sales of less than \$10,000 of wine per year. Any liability insurance policy filed as proof of financial responsibility under this division shall conform to M.S. § 340A.409, as it may be amended from time to time.

(D) — *Approval of security.* The security offered under division (B) of this section shall be approved by the City Council and in the case of applicants for “on-sale” and “on-sale” wine licenses by the State Department of Public Safety. Liability insurance policies required by this subchapter but not by state law and surety bonds required under division (B) of this section shall be approved as to form by the City Attorney. Operation of a licensed business without having on file with the city at all times effective security as required in divisions (B) and (C) of this section is a cause for revocation of the license.

§ 114.043 LICENSE FEES.

(A) — *Fees.* The annual fee for a liquor license shall be \$2,500 for an “on-sale” license, \$400 for an “on-sale” wine license and \$650 for a special club license. The maximum annual fee for a Sunday on-sale intoxicating liquor license shall not exceed \$200, or the maximum amount provided by M.S. § 340A.504, Subd. 3(e), as it may be amended from time to time.

(B) — *Payment.* Each application for a license shall be accompanied by a receipt from the City Treasurer for payment in full of the license fee and the fixed investigation fee required under § 114.044(A), if any. All fees shall be paid into the General Fund. If an application for a license is rejected, the Treasurer shall refund the amount paid as the license fee.

(C) — *Term; pro rata fee.* Each license shall be issued for a period of one year, except that if the application is made during the license year, a license may be issued for the remainder of the year for a pro rata fee, with any unexpired fraction of a month being counted as one month. Every license shall expire on the last day of June.

(D) — *Refunds.* No refund of any fee shall be made except as authorized by statute.

§ 114.044 GRANTING OF LICENSES.

~~(A) — *Preliminary investigation.* On an initial application for an “on-sale” license and an application for transfer of an existing “on-sale” license, the applicant shall pay with his or her application an investigation fee of \$500, and the city shall conduct a preliminary background and financial investigation of the applicant. The application in such case shall be made on a form prescribed by the State Bureau of Criminal Apprehension and with such additional information as the Council may require. If the Council deems it in the public interest to have an investigation made on a particular application for renewal of an “on-sale” license, it shall so determine. In any case, if the Council determines that a comprehensive background and financial investigation of the applicant is necessary, it may conduct the investigation itself or contract with the Bureau of Criminal Investigation for the investigation. No license shall be issued, transferred or renewed if the results show to the satisfaction of the Council that issuance would not be in the public interest. If an investigation outside the state is required, the applicant shall be charged the cost, not to exceed \$10,000, which shall be paid by the applicant after deducting any initial investigation fee already paid. The fee shall be payable by the applicant whether or not the license is granted.~~

~~(B) — *Hearing and issuance.* The City Council shall investigate all facts set out in the application and not investigated in the preliminary background and financial investigation conducted pursuant to division (A) of this section. Opportunity shall be given to any person to be heard for or against the granting of the license. After the investigation and hearing, the Council shall, at its discretion, grant or refuse the application. No license of any type shall become effective until it, together with the security furnished by the applicant, has been approved by the Department of Public Safety.~~

~~(C) — *Person and premises licensed; transfer.* Each license shall be issued only to the applicant and for the premises described in the application. No license may be transferred to another person or place without City Council approval. Any transfer of stock of a corporate licensee is deemed a transfer of the license, and a transfer of stock without prior Council approval is a ground for revocation of the license.~~

~~§ 114.045 PERSONS INELIGIBLE FOR LICENSE.~~

~~No license shall be granted to any person made ineligible for such a license by state law. No more than one intoxicating liquor license shall be directly or indirectly issued within the city to any one person.~~

~~§ 114.046 PLACES INELIGIBLE FOR LICENSE.~~

~~(A) — *General prohibition.* No license shall be issued for any place or any business ineligible for such license under state law.~~

~~(B) — *Delinquent taxes and charges.* No license shall be granted for operation of any premises on which taxes, assessments or other financial claims of the city are delinquent and unpaid. Such taxes, assessments or other financial claims of the city shall not be considered delinquent if the same are the subject of and included in a “Confession of Judgment” as provided in M.S. Chapter 279, as it may be amended from time to time. The City Council may, notwithstanding this~~

section, authorize the issuance of a license, or the continuation of an existing license, where it determines, in its sole discretion, that extenuating or extraordinary circumstances exist surrounding the delinquency or the impact of the delinquency as set forth in this section.

~~§ 114.047 CONDITIONS OF LICENSE.~~

~~(A) — *In general.* Every license is subject to the conditions in this section and all other provisions of this subchapter and of any other applicable ordinance, state law or regulation.~~

~~(B) — *Insurance.* Compliance with financial responsibility requirements of state law and of this subchapter is a continuing condition of any license granted pursuant to this subchapter.~~

~~(C) — *Licensee's responsibility.* Every licensee is responsible for the conduct in the licensed establishment, and any sale of alcoholic beverages by any employee authorized to sell such beverages in the establishment is the act of the licensee.~~

~~(D) — *Inspections.* Every licensee shall allow any peace officer, health officer or properly designated officer or employee of the city to enter, inspect and search the premises of the licensee during business hours without a warrant.~~

~~(E) — *Display during prohibited hours.* No "on sale" establishment shall display liquor to the public during hours when the sale of liquor is prohibited.~~

~~(F) — *Closing hours.* Every licensee shall maintain closing hours that will ensure that all patrons and the public have left the licensed establishment within 15 minutes after the time the last sale of intoxicating liquor is allowed by law to be sold.~~

~~§ 114.048 RESTRICTIONS ON PURCHASE AND CONSUMPTION.~~

~~No person shall mix or prepare liquor for consumption in any public place or place of business unless it has a license to sell liquor "on sale" or a permit from the Department of Public Safety under M.S. § 340A.414, as it may be amended from time to time, and no person shall consume liquor in any such place.~~

~~§ 114.049 SUSPENSION AND REVOCATION.~~

~~(A) — The Council shall either suspend for up to 60 days or revoke any liquor license or impose a civil fine determined by the City Council for each violation upon a finding that the licensee has failed to comply with any applicable statute, regulation or ordinance relating to alcoholic beverages. Except in cases of failure of financial responsibility, no suspension or revocation shall take effect until the licensee has been afforded an opportunity for a hearing pursuant to M.S. §§ 14.57 to 14.70, as they may be amended from time to time, of the Administrative Procedure Act.~~

~~(B) — Lapse of required dram shop insurance or bond or withdrawal of a required deposit of cash or securities shall effect an immediate suspension of any license issued pursuant to this subchapter without further action of the City Council. Notice of cancellation, lapse of a current~~

liquor liability policy or bond or withdrawal of deposited cash or securities shall also constitute notice to the licensee of the impending suspension of the license. The holder of a license who has received notice of lapse of required insurance or bond, withdrawal of a required deposit or of suspension or revocation of a license may request a hearing thereon, and if such a request is made in writing to the Clerk Administrator City Administrator, a hearing shall be granted within ten days or such longer period as may be requested. Any suspension under this section shall continue until the City Council determines that the financial responsibility requirements of this subchapter have again been met.

LICENSING AND REGULATING THE SALE AND CONSUMPTION OF WINE

~~§ 114.060 PROVISIONS OF STATE LAW ADOPTED.~~

The provisions of M.S. Chapter 340A, as it may be amended from time to time, relating to the definition of terms, licensing, consumption, sales, conditions of bonds of licensees, hours of sale and all other matters pertaining to the retail sale, distribution and consumption of intoxicating liquor insofar as they are applicable to wine licenses authorizing the sale of wine not exceeding 14% alcohol by volume for consumption on the licensed premises only, in conjunction with the sale of food, are adopted and made a part of this subchapter as if set out in full.

~~§ 114.061 WINE LICENSES.~~

No person, except a wholesaler or manufacturer to the extent authorized under the state license and the municipal liquor dispensary, shall directly or indirectly deal in, sell or keep for sale in the city any wine not exceeding 14% alcohol by volume without an "on sale" wine license. An "on sale" wine license authorizes the sale of wine not exceeding 14% alcohol by volume, for consumption on the licensed premises only, in conjunction with the sale of food. An "on sale" wine license may be issued only to a restaurant having facilities for seating not fewer than 25 guests at one time. For purposes of this subchapter, a restaurant means an establishment, under the control of a single proprietor or manager, having appropriate facilities for serving meals, and where, in consideration of payment thereof, meals are regularly served at tables to the general public and which employs an adequate staff to provide the usual and suitable service to its guests.

~~§ 114.062 APPLICATION FOR LICENSE.~~

(A) — *Form.* Every application for an "on sale" license shall state the applicant's name, age, citizenship or resident alien status and representations as to the applicant's character, with such reference as the Council may require. The application shall also state the restaurant in connection with which the proposed license will operate, its location, whether the applicant is owner and operator of the restaurant, how long he or she has been in the restaurant and such additional information as the Council may require from time to time. The application shall be in the form prescribed by the Department of Public Safety and shall be verified and filed with the City Administrator. No person shall make a false statement in an application.

(B) — *Bond.* Each application for a license shall be accompanied by a surety bond or, in lieu

thereof, cash or United States Government bonds of equivalent market value as provided in M.S. § 340A.412, Subd. 1, as it may be amended from time to time. The surety bond or other security shall be in the sum of \$5,000 for an application for an “on sale” wine license.

~~(C) — *Proof of financial responsibility.* Prior to the issuance of a wine license, the applicant shall demonstrate proof of financial responsibility as defined in M.S. § 340A.409, as it may be amended from time to time, with reference to liability under M.S. § 340A.801, as it may be amended from time to time. The proof shall be filed with the Department of Public Safety, except that if a license involves sales of wine by a prospective vendor who is not required by law to file, such proof shall be filed with the City Clerk Administrator City Administrator. Any liability insurance filed as proof of financial responsibility under this division shall conform to M.S. § 340A.409, as it may be amended from time to time.~~

~~§ 114.063 LICENSE FEES.~~

~~(A) — *Amount.* The annual fee for a wine license is \$400.~~

~~(B) — *Payment.* Each applicant for a wine license shall be accompanied by a receipt from the City Treasurer for payment in full of the license fee. If an application for a license is rejected, the Treasurer shall refund the amount paid.~~

~~(C) — *Term; pro rata fee.* Each license shall be issued for a period of one year, except that if the application is made during the license year, a license may be issued for the remainder of the year for a pro rata fee with any unexpired fraction of a month being counted as one month. Every license shall expire on the last day of June.~~

~~(D) — *Refunds.* No refund of any fee shall be made except as authorized by statute.~~

~~§ 114.064 GRANTING OF LICENSES.~~

~~(A) — *Investigation and issuance.* The City Council shall investigate all facts set out in the application. Opportunity shall be given to any person to be heard for or against the granting of the license. After the investigation and hearing, the Council may grant or refuse the application. No wine license shall become effective until the license and the security furnished by the applicant have been approved by the State Department of Public Safety.~~

~~(B) — *Person and premises licensed; transfer.* Each license shall be issued to the applicant only and shall not be transferrable to another holder. Each license shall be issued only for the premises described in the application. No license may be transferred to another place without the approval of the Council. Any transfer of the stock of a corporate licensee is deemed a transfer of the license, and a transfer of stock without prior Council approval is ground for revocation of the license.~~

~~§ 114.065 PERSONS INELIGIBLE FOR LICENSE.~~

~~No wine license shall be granted to any person made ineligible for such a license by state law.~~

~~§ 114.066 PLACES INELIGIBLE FOR LICENSE.~~

~~(A) — *General prohibition.* No wine license shall be issued for any restaurant ineligible for such a license under state law.~~

~~(B) — *Delinquent taxes and charges.* No license shall be granted for any operation or any premises on which taxes, assessments or other financial claims of the city are delinquent and unpaid. The City Council may, notwithstanding this section, authorize the issuance of a license, or the continuation of an existing license, where it determines, in its sole discretion, that extenuating or extraordinary circumstances exist surrounding the delinquency or the impact of the delinquency as set forth in this section.~~

~~(C) — *Distance from school or church.* No license shall be granted for a building within 200 feet of any school or within 250 feet of any church.~~

~~§ 114.067 CONDITIONS OF LICENSE.~~

~~(A) — *General.* Every license is subject to the conditions in this section and all other provisions of this subchapter and of any other applicable ordinance, state law or regulation.~~

~~(B) — *Licensee's responsibility.* Every licensee, except as other provided by M.S. § 340A.501, as it may be amended from time to time, is responsible for the conduct in the licensed establishment. Any sale of alcoholic beverages by any employee authorized to sell such beverages in the establishment is the act of the licensee.~~

~~(C) — *Inspections.* Every licensee shall allow any peace officer, health officer or properly designated officer or employee of the city to enter, inspect and search the premises of the licensee during business hours without a warrant.~~

~~(D) — *Display during prohibited hours.* No licensee shall display wine to the public during hours when the sale of wine is prohibited.~~

~~(E) — *Federal stamps.* No license shall possess a federal wholesale liquor dealers special tax stamp or a federal gambling stamp.~~

~~§ 114.068 SUSPENSION AND REVOCATION.~~

~~(A) — The Council shall either suspend for up to 60 days or revoke any “on sale” wine license or impose a civil fine as determined by the City Council for each violation upon a finding that the licensee has failed to comply with any applicable statute, regulation or ordinance relating to alcoholic beverages. Except in cases of failure of financial responsibility, no suspension or revocation shall take effect until the licensee has been afforded an opportunity for a hearing pursuant to M.S. §§ 14.57 through 14.69, as they may be amended from time to time, of the Administrative Procedure Act.~~

~~(B) — Lapse of required dram shop insurance or bond or withdrawal of a required deposit of cash or securities shall effect an immediate suspension of any license issued pursuant to this subchapter without further action of the City Council. Notice of a required deposit of cash or securities shall effect an immediate suspension of any license issued pursuant to this subchapter without further action of the City Council. Notice of cancellation, lapse of a current liability policy or bond or withdrawal of deposited cash or securities shall also constitute notice to the licensee of the impending suspension of the license. The holder of a license who has received notice of lapse of required deposit or of suspension or revocation of a license may request a hearing thereon, and if such a request is made in writing to the Clerk Administrator City Administrator, a hearing shall be granted within ten days or such longer period as may be requested. Any suspension under this section shall continue until the City Council determines that the financial responsibility requirements of this subchapter have again been met.~~

MUNICIPAL LIQUOR DISPENSARY

~~§ 114.080 DEFINITIONS.~~

~~For the purpose of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.~~

~~**Beer.** Any malt beverage with an alcoholic content of more than ½% by volume and not more than 3.2% by weight.~~

~~**Intoxicating Liquor and Liquor.** Distilled, vinous and fermented beverages containing more than 3.2% of alcohol by weight.~~

~~**Minor.** Any person under 21 years of age.~~

~~**Off-Sale.** Retail sale in the original package for consumption away from the dispensary.~~

~~**Sell.** All purchases, trades, barbers and gifts and shall include all other means of furnishing intoxicating liquor or beer in violation or evasion of this subchapter.~~

~~§ 114.081 DISPENSARY ESTABLISHED.~~

~~There is established a municipal liquor dispensary for the off-sale of intoxicating liquor. No person shall consume liquor in a public park or on a public street.~~

~~§ 114.082 LOCATION AND OPERATION.~~

~~(A) — The dispensary shall be located at such suitable place as the Council determines by motion. No premises upon which taxes or other public levies are delinquent shall be leased for dispensary purposes.~~

~~(B) — The dispensary shall be in the immediate charge of a liquor store manager selected by the Council and paid such compensation as is fixed by the Council. He or she shall furnish a surety~~

bond to the city, conditioned upon the faithful discharge of his or her duties, in such sum as the Council specifies. The bond premium shall be paid by the city. The manager shall operate the dispensary under the Council's direction and shall perform such duties in connection with the dispensary as may be imposed upon him or her by the Council. He or she shall be responsible to the Council for the conduct of the dispensary in full compliance with this subchapter and with the laws relating to the sale of liquor or beer.

(C) — The Council shall also appoint such additional employees as may be required for the dispensary and shall fix their compensation. All employees, including the manager, shall hold their positions at the pleasure of the Council. No minor shall be employed in the dispensary. In the discretion of the Council such employees may be required to furnish surety bonds conditioned for the faithful discharge of their duties in such sums as the Council may specify and shall be paid by the city.

~~§ 114.083 DISPENSARY FUND CREATED.~~

~~A Liquor Dispensary Fund is created into which all revenues received from the operation of the dispensary shall be paid, including all receipts from the sale of intoxicating liquor and other merchandise and services on any premises where the dispensary is located or relocated or additional or branch liquor stores are established and from which all operating expenses shall be paid; that the Council may by resolution provide for the issuance and sale of revenue certificates or bonds to defray expenses theretofore incurred or thereafter to be incurred for the purchase or construction of a suitable liquor dispensary building or suitable equipment and furnishings of premises on which such dispensary is located, or for the provision of adequate working capital for the operation thereof, which certificates or bonds shall be payable solely out of the net revenues of the dispensary after payment of reasonable and current costs of operation and maintenance; and the Council may by such resolution or resolutions create special sinking fund accounts and reserve accounts for such certificates or bonds in the Liquor Dispensary Fund and appropriate all or any part of such net revenues thereto and may make all reasonable and customary covenants for the security of the certificates or bonds with reference to the operation of the dispensary and the handling of the funds thereof and the enforcement of rights of certificate or bond holders and may provide that such certificates or bonds shall be a first and closed lien on such net revenues as against all future obligations chargeable to the net revenues, including obligations owing to the General Fund of the city. Any surplus accumulated in the Fund may be transferred to the General Fund by resolution of the Council and expended for any municipal purpose, provided that such transfers shall not be made in violation of any prohibition or restriction imposed by the terms of any resolution authorizing the issuance of liquor dispensary revenue certificates or bonds.~~

~~§ 114.084 HOURS OF OPERATION.~~

~~(A) — No off sale of intoxicating liquor shall be made in the municipal liquor dispensary on Sunday before 11:00 a.m. or after 6:00 p.m. or before 8:00 a.m. or after 10:00 p.m. Monday through Saturday. No sale shall be made on Easter, Thanksgiving Day, after 8:00 pm on Christmas Eve Day, December 24, or Christmas Day, December 25.~~

~~§ 114.085 CONDITIONS OF OPERATION AND RESTRICTIONS ON CONSUMPTION.~~

~~(A) — No business other than the sale of liquor, off sale, shall be carried on in the dispensary, except the retail sale of cigars, cigarettes, all forms of tobacco, off sale beer and soft drinks.~~

~~(B) — No liquor, beer or other merchandise shall be sold on credit.~~

~~(C) — No minor shall be permitted to remain on the dispensary premises.~~

~~(D) — No liquor or beer shall be sold or served to a minor.~~

~~(E) — No minor shall misrepresent his or her age for the purpose of obtaining liquor or beer.~~

~~(F) — No liquor or beer shall be sold to an intoxicated person.~~

~~(G) — No person shall be permitted to loiter about the dispensary habitually.~~

~~(H) — No disorderly person shall be permitted on the dispensary premises.~~

~~§ 114.086 APPLICABILITY OF PROVISIONS.~~

~~No provisions of this subchapter shall affect the ordinances licensing and regulating the sale of 3.2% malt liquor or any license granted thereunder.~~

~~§ 114.087 ENFORCEMENT.~~

~~It shall be the duty of all police officers of the city to enforce the provisions of this subchapter and to search premises and seize evidence of law violation and preserve the same as evidence against any person alleged to be violating this subchapter and to prepare the necessary processes and papers therefor. Any employee of the dispensary willfully violating any provision hereof or any provision of the laws of Minnesota relating to gambling or the sale of intoxicating liquor or beer shall be discharged.~~

SET-UPS

~~§ 114.100 DEFINITIONS; SALE OF SET-UP PERMITTED.~~

~~The sale and serving of liquids for the purpose of mixing with intoxicating liquor is permitted in cafes, restaurants and premises licensed for the sale of 3.2% malt liquor in the city upon first securing a permit therefor as provided herein. The terms *CAFES* and *RESTAURANTS*, as used in this subchapter, shall mean any place where lunches or meals are prepared or served to the public for consumption on the premises and where the preparation and service of the lunches and meals are the principal business thereof.~~

~~§ 114.101 PERMIT REQUIRED.~~

No private club or public place, directly or indirectly or upon any pretense or by any device, shall allow the consumption or display of intoxicating liquor or the serving of any liquid for the purpose of mixing with intoxicating liquor without first securing a permit therefor from the Department of Public Safety and paying the fees required to them and to the city. All applications for such permits shall be first submitted to and approved by the Council and endorsed by the Mayor and Chief of Police.

~~§ 114.102 AMOUNT OF CITY FEE.~~

The fee payable to the city under this subchapter shall be \$100 per year, which fee shall be in addition to any license or permit fees required by the state. The fee shall be paid to the Treasurer on or before July 1 of each year, or if application is made after July 1, shall pay a pro rata fee for the period of time from which the fee is paid until the following July 1. In computing the pro rata fee, an unexpired fraction of a month shall count as a whole month.

~~§ 114.103 HOURS OF OPERATION.~~

No person shall consume or display, or allow consumption or display, of intoxicating liquor on any premises of a private club or public place between the hours of 1:00 a.m. and 8:00 a.m. Monday through Saturday or between the hours of 1:00 a.m. and noon on Sundays.

~~§ 114.104 SALES PROHIBITED.~~

No sale or service of liquids for the purpose of mixing with intoxicating liquor shall be made to any person under the age of 21 years, to a habitual drunkard or to any person obviously intoxicated. The sale of intoxicating liquor by any private club or public place is prohibited, except in and by the municipal liquor store.

~~§ 114.105 INSPECTION OF PREMISES.~~

Any private club or public place paying a fee under this subchapter shall be open for inspection at all reasonable times by police officers of the city and by the State Department of Public Safety and his or her agents. Refusal to permit the inspection shall be a violation of this subchapter and cause for suspension or revocation of the permit.

BREWERY AND BREWPUB LICENSING AND REGULATIONS

~~§114.110 AUTHORITY~~

This subchapter is enacted pursuant to Minnesota Statutes section 340A.301, subdivision 7(b), as it may be amended from time to time.

~~§114.111 DEFINITIONS~~

For the purpose of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

~~**Brewer.** A brewer is a person who manufactures malt liquor for sale.~~

~~**Brewery.** A brewery is a facility where malt liquor is manufactured for sale.~~

~~**Brewpub.** A brewpub is a restaurant operated on the same premises as a brewery operated by a brewer licensed under Minnesota Statutes section 340A.301, subdivision 6(d) as it may be amended from time to time.~~

~~**Intoxicating Liquor.** Intoxicating liquor is ethyl alcohol, distilled, fermented, spirituous, vinous, and malt beverages containing more than 3.2% of alcohol by weight.~~

~~**Malt Liquor.** Malt liquor is any beer, ale, or other beverage made from malt by fermentation and containing not less than ½% alcohol by volume.~~

~~**3.2% Malt Liquor.** 3.2% malt liquor is malt liquor containing not less than ½% alcohol by volume nor more than 3.2% alcohol by weight.~~

§114.112 LICENSE REQUIRED

~~(A) — **Licenses.** No brewer may engage in the retail sale of intoxicating liquor or 3.2% malt liquor on the premises of a brewery within the city without first having received a license as provided herein. Licenses shall be of two kinds:~~

~~(1) — “On-sale Brewpub License;”~~

~~(2) — “Off-sale License.”~~

~~(B) — **General Conditions of Eligibility.** An applicant for a license under this subchapter must meet the following general conditions of eligibility:~~

~~—— (1) — The applicant must possess a license issued by the State of Minnesota for the manufacture of malt liquor.~~

~~—— (2) — The applicant’s total retail sales at “on-sale” or “off-sale” shall not exceed 3,500 barrels per year, with no more than 500 barrels per year of malt liquor being sold “off-sale.”~~

~~—— (3) — The applicant may not have an ownership interest in whole or in part, or be an officer, director, agent, or employee of, any other manufacturer, brewer, importer, or wholesaler, or be an affiliate thereof whether the affiliation is corporate or by management, direction, or control. Notwithstanding this prohibition, the applicant may be an affiliate or subsidiary of another licensed brewer in accordance with Minnesota Statutes section 340A.301, subdivision 7(b), as it may be amended from time to time.~~

~~(C) — “On-sale Brewpub License.” An “on-sale” brewpub license shall permit the sale of 3.2% malt liquor or intoxicating liquor for consumption at a restaurant located in the place of~~

manufacture. A brewery that does not operate a restaurant on the licensed brewery premises shall not be eligible for an “on-sale” brewpub license.

~~(D) — “Off sale License.” An “off sale” license shall permit the sale of malt liquor for consumption off the licensed brewery premises, subject to the following conditions:~~

~~(1) — An “off sale” license shall be issued by the city only with the approval of the Commissioner of Public Safety;~~

~~(2) — The applicant brewer must possess an “on-sale” brewpub license issued under this subchapter or must manufacture fewer than 3,500 barrels of malt liquor in a year;~~

~~(3) — “Off sale” of malt liquor is limited to malt liquor produced and packaged on the licensed premises in 64 ounce containers commonly known as “growlers” or in 750 milliliter bottles that are designed, sealed, and labeled pursuant to Minnesota Statutes section 340A.301, subdivision 7(b), as it may be amended from time to time.~~

~~(4) — “Off sale” of malt liquor is limited to the legal hours for “off sale” outlined in § 114.084 of this chapter. Malt liquor sold “off sale” must be removed from the licensed premises before the “off-sale” closing time outlined in § 114.084 of this chapter.~~

§114.113 APPLICATIONS FOR LICENSE

~~(A) — *Form.* Every application for a license shall state the name of the applicant, his or her age, representations as to his or her character (with such references as the Council may require), his or her citizenship, the type of license applied for, the business in connection with which the proposed license will operate and its location, whether the applicant is the owner and operator of the business, how long he or she has been in that business, and other such information as the Council may require from time to time. Every application shall also include a copy of each summons received by the applicant under Minnesota Statutes section 340A.802, as it may be amended from time to time. In addition to containing such information, the application shall be in the form prescribed by the Commissioner of the Department of Public Safety. And shall be verified and filed with the City Clerk/Treasurer. No person shall make a false statement in an application.~~

~~(B) — *Financial Responsibility.* No license may be issued, maintained, or renewed unless the applicant demonstrates proof of financial responsibility as defined in Minnesota Statutes section 340A.409, as it may be amended from time to time, with regard to liability under Minnesota Statutes section 340A.801, as it may be amended from time to time. Such proof shall be filed with the Department of Public Safety. Any liability insurance policy filed as proof of financial responsibility under this division shall conform to Minnesota Statutes section 340A.409, as it may be amended from time to time.~~

§114.114 LICENSE FEES

~~(A) — Fees. The annual fee for an “on-sale” brewpub license shall be \$2,500. The annual fee for an “off-sale” license under this subchapter shall be the maximum amount allowed under Minnesota Statutes section 340A.408, subdivision 3, as it may be amended from time to time.~~

~~(B) — Payment. Each application for a license shall be accompanied by a receipt from the City Clerk/Treasurer for payment in full of the license fee and the fixed investigation fee required under § 114.209(A), if any. All fees shall be paid into the General Fund. If an application for a license is rejected, the City Clerk/Treasurer shall refund the amount paid as the license fee.~~

~~(C) — Term; Pro Rata Fee. Each license shall be issued for a period of one year, except that if the application is made during the license year, a license may be issued for the remainder of the year for a pro rata fee, with any unexpired fraction of a month being counted as one month. Every license shall expire on the last day of June.~~

~~(D) — Refund. No refund of any fee shall be made except as authorized by statute.~~

§114.115 GRANTING OF LICENSES

~~(A) — Preliminary Investigation. On an initial application for a license under this subchapter and an application for transfer of an existing license, the applicant shall pay with his or her application an investigation fee of \$500, and the city shall conduct a preliminary background and financial investigation of the applicant. The application in such case shall be made on a form prescribed by the Commissioner of the Department of Public Safety and with such additional information as the Council may require. If the Council deems it in the public interest to have an investigation made on a particular application for renewal of a license, it shall so determine. In any case, if the Council determines that a comprehensive background and financial investigation of the applicant is necessary, it may conduct the investigation itself or contract with the Department of Public Safety for the investigation. No license shall be issued, transferred, or renewed if the results show to the satisfaction of the Council that issuance would not be in the public interest. If an investigation outside of the state is required, the applicant shall be charged the actual cost not to exceed \$10,000, which shall be paid by the applicant after deducting any initial investigation fee already paid. The fee shall be payable by the applicant whether or not the license is granted.~~

~~(B) — Hearing and Issuance. The Council shall investigate all facts set out in the application and not investigated in the preliminary background and financial investigation conducted pursuant to division (A) of this section. Opportunity shall be given to any person to be heard for or against the granting of the license. After the investigation and hearing, the Council shall, at its discretion, grant or refuse the application. No license of any type shall become effective until it has been approved by the Department of Public Safety.~~

~~(C) — Persons and Premises Licensed; Transfer. Each license shall be issued only to the applicant and for the premises described in the application. No license may be transferred to another person without Council approval. Any transfer of stock of a corporate licensee is deemed a transfer of the license, and a transfer of stock without prior Council approval is a ground for revocation of the license.~~

§114.116 PERSONS INELIGIBLE FOR LICENSE

~~No license shall be granted to any person made ineligible for such license by state law. No more than one license under this subchapter shall be directly or indirectly issued within the city to any one person.~~

§114.117 PLACES INELIGIBLE FOR LICENSE

~~(A) — *General Prohibition.* No license shall be issued under this subchapter for any place or any business ineligible for such license under state law.~~

~~(B) — *Delinquent Taxes and Charges.* No license shall be granted under this subchapter for operation on any premises on which taxes, assessments, or other financial claims of the city are delinquent and unpaid. Such taxes, assessments, or other financial claims of the city shall not be considered delinquent if the same are the subject of and included in a “Confession of Judgment” as provided in Minnesota Statutes Chapter 279, as it may be amended from time to time. The Council may, notwithstanding this section, authorize the issuance of a license, or a continuation of an existing license, where it determines, in its sole discretion, that extenuating or extraordinary circumstances exist surrounding the delinquency or the impact of the delinquency.~~

§114.118 CONDITIONS OF LICENSE

~~(A) — *In General.* Every license issued under this subchapter is subject to the conditions outlined in this subchapter and in any other applicable ordinance, state law, or regulation.~~

~~(B) — *Insurance.* Compliance with financial responsibility requirements of state law and of this subchapter is a continuing condition of any license granted pursuant to this subchapter.~~

~~(C) — *Inspections.* Every licensee shall allow any peace officer, health officer, or properly designated official or employee of the city to enter, inspect, and search the premises of the licensee during business hours without a warrant.~~

~~(D) — *Closing Hours.* Every licensee shall maintain closing hours that will ensure that all patrons and the public have left the licensed establishment within 15 minutes after the time the last sale of intoxicating liquor is allowed by law to be sold.~~

~~(E) — *Sunday “On sale” Intoxicating Liquor Licenses.* A licensee may not serve intoxicating liquor on a Sunday unless the licensee has applied for and obtained a Sunday “on sale” intoxicating liquor license, as defined § 114.041(E) of this chapter.~~

§114.119 SUSPENSION AND REVOCATION

~~Suspension and revocation of a license issued under this subchapter shall be governed by the provisions of § 114.049 of this chapter.~~

OFF-SITE DELIVERY OF LIQUOR

~~§ 114.201 AUTHORITY.~~

~~This ordinance is enacted pursuant to Minn. Stat. Chapter 340A.~~

~~§ 114.202 DEFINITIONS.~~

~~For purposes of this ordinance, the following terms have the following meanings:~~

~~***Alcoholic beverage*** means any beverage containing more than one-half of one per cent alcohol by volume.~~

~~***Person*** means any off-sale retail liquor store licensee, and any individual, partnership, corporation, or any association of one or more individuals employed or assisting such licensee.~~

~~***Premises*** means any home, yard, farm, field, land, apartment, condominium, hotel or motel room, place, dwelling unit, hall, meeting room, park, place of assembly, business, whether retail, manufacturing, industrial, public or private, whether occupied or unoccupied, on a temporary or permanent basis.~~

~~§ 114.203 PROHIBITED ACTS.~~

~~(A) — It is unlawful for any person to deliver alcoholic beverages by or on behalf of any off-sale retail liquor store not physically located within the corporate boundaries of the City of Cambridge to any premise within the corporate boundaries of the City of Cambridge.~~

~~(B) — A person is criminally responsible for violating this ordinance if such person intentionally aids, advises, hires, counsels, or conspires with or otherwise procures another to commit the prohibited act.~~

~~§ 114.204 ENFORCEMENT.~~

~~This chapter shall be enforced by any duly licensed law enforcement officer.~~

~~§ 114.205 SEVERABILITY.~~

~~If any section, subsection, sentence, clause, phrase, word, or other portion of this chapter is, for any reason, held to be unconstitutional or invalid, in whole, or in part, by any court of competent jurisdiction, such portion shall be deemed severable, and such unconstitutionality or invalidity shall not affect the validity of the remaining portions of this law, which remaining portions shall continue in full force and effect.~~

~~§ 114.206 PENALTY.~~

~~Except specifically provided otherwise in this chapter, any person violating any provision of this~~

~~chapter shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished as provided in § 10.99.~~

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114.001. ADOPTION OF STATE LAW BY REFERENCE.

The provisions of M.S. Ch. 340A, as they may be amended from time to time, with reference to the definition of terms, conditions of operation, restrictions on consumption, provisions relating to sales, hours of sale, and all other matters pertaining to the retail sale, distribution, and consumption of intoxicating liquor and 3.2 percent malt liquor are hereby adopted by reference and are made a part of this Chapter as if set out in full. It is the intention of the City Council that all future amendments to M.S. Ch. 340A are hereby adopted by reference or referenced as if they had been in existence at the time this Chapter is adopted.

114.002. CITY MAY BE MORE RESTRICTIVE THAN STATE LAW.

The Council is authorized by the provisions of M.S. § 340A.509, as it may be amended from time to time, to impose, and has imposed in this chapter, additional restrictions on the sale and possession of alcoholic beverages within its limits beyond those contained in M.S. Ch. 340A, as it may be amended from time to time.

114.003. DEFINITIONS.

In addition to the definitions contained in Minn. Stat. § 340A.101 as it may be amended from time to time, the following terms are defined for purposes of this ordinance:

LIQUOR. As used in this ordinance, without modification by the words “intoxicating” or a “3.2 percent malt” includes both intoxicating liquor and 3.2 percent malt liquor.

RESTAURANT. An eating facility, other than a hotel, under the control of a single proprietor or manager, where meals are regularly prepared on the premises, where full waitress/waiter table service is provided, where a customer orders food from printed menus and where the main food course is served and consumed while seated at a single location. To be a restaurant as defined by this section, an establishment shall have a license from the state as required by Minn. Stat. § 157.16, as it may be amended from time to time, and meet the definition of either a “small establishment,” “medium establishment” or “large establishment” as defined in Minn. Stat. § 157.16, subd. 3(d), as it may be amended from time to time. An establishment which serves prepackaged food that receives heat treatment and is served in the package or frozen pizza that is heated and served, shall not be considered to be a restaurant for purposes of this ordinance unless it meets the definitions of a “small establishment”, “medium establishment” or “large establishment”.

114.004. NUDITY ON LICENSED ESTABLISHMENTS PROHIBITED.

(A) The City Council finds that it is in the best interests of the public health, safety, and general welfare of the people of the city that nudity is prohibited as provided in this section on the premises of any establishment licensed under this ordinance. This is to protect and assist the owners, operators, and employees of the establishment, as well as patrons and the public in

general, from harm stemming from the physical immediacy and combination of alcohol, nudity, and sex. The Council especially intends to prevent any subliminal endorsement of sexual harassment or activities likely to lead to the possibility of various criminal conduct, including prostitution, sexual assault, and disorderly conduct. The Council also finds that the prohibition of nudity on the premises of any establishment licensed under this ordinance, as set forth in this section, reflects the prevailing community standards of the city.

(B) It is unlawful for any licensee to permit or allow any person or persons on the licensed premises when the person does not have his or her buttocks, anus, breasts, and genitals covered with a non-transparent material. It is unlawful for any person to be on the licensed premises when the person does not have his or her buttocks, anus, breasts, and genitals covered with a non-transparent material.

(C) A violation of this section is a misdemeanor punishable as provided by law, and is justification for revocation or suspension of any liquor, wine, or 3.2 percent malt liquor license or any other license issued under this ordinance or the imposition of a civil penalty under the provisions of 114.0030(B).

114.005. CONSUMPTION IN PUBLIC PLACES.

No person shall consume intoxicating liquor or 3.2 percent malt liquor in a public park, on any public street, sidewalk, parking lot or alley, or in any public place other than on the premises of an establishment licensed under this ordinance, in a municipal liquor dispensary if one exists in the city, Cambridge City Hall, City Center Mall, the Armed Forces Reserve & Community Center, or where the consumption and display of liquor is lawfully permitted.

114.006. RAFFLES, SILENT AUCTIONS AND FUND RAISING EVENTS FOR CHARITABLE PURPOSES OF WINE, BEER OR INTOXICATING LIQUORS.

No person shall conduct a silent auction, raffle of other fund raising event pursuant to Minn. Stat. § 340A.707 with prizes or awards of wine, beer or intoxicating liquors without notifying the city clerk of the event at least ten days prior to the occurrence of the event. The event holder shall provide the city with the following information: the person or organization holding the event, the day, time and location of the event, type of fund raising event (silent auction, raffle or otherwise), type and amount of wine, beer, intoxicating liquor to be awarded as prizes, and the charitable purposes to which the event proceeds will be donated.

114.007. NUMBER OF LICENSES WHICH MAY BE ISSUED.

State law establishes the number of liquor licenses that a city may issue. However, the number of licenses which may be granted under this ordinance is limited to the number of license which were issued as of the effective date of this ordinance, even if a larger number of licenses are authorized by law or election. The Council in its sound discretion may provide by ordinance that a larger number of licenses may be issued up to the number of licenses authorized by Minn. Stat. Ch. 340A, as it may be amended from time to time. If a larger number of licenses in a particular category has been authorized by a referendum held under the provisions of Minn. Stat.

§ 340A.413, subd. 3 as it may be amended from time to time, but not all of them have been issued, the larger number of licenses is no longer in effect until the Council by ordinance determines that any or all of the licenses may be issued. The Council is not required to issue the full number of licenses that it has available.

114.008. TERM AND EXPIRATION OF LICENSES.

Each license shall be issued for a maximum period of one year. All licenses, except temporary licenses, shall expire on December 31 of each year unless another date is provided by ordinance. All licenses shall expire on the same date. Temporary licenses expire according to their terms. Consumption and display permits issued by the Commissioner of Public Safety, and the accompanying city consent to the permit, shall expire on March 31 of each year.

114.009. KINDS OF LIQUOR LICENSES.

Cambridge has a municipal liquor store and is only authorized to issue licenses specified in 114.009 and 114.029.

(A) 3.2 percent malt liquor on-sale licenses, which may be issued only to golf courses, restaurants, hotels, clubs, bowling centers, and establishments used exclusively for the sale of 3.2 percent malt liquor with the incidental sale of tobacco and soft drinks.

(B) 3.2 percent malt liquor off-sale license.

(C) Temporary 3.2 percent malt liquor licenses which may be issued only to a club, charitable, religious, or nonprofit organization.

(D) Off-sale intoxicating liquor licenses, which may be issued only to the exclusive liquor store.

(E) On-sale intoxicating liquor licenses, which may be issued to the following establishments as defined by Minn. Stat. § 340A.101, as it may be amended from time to time, and this ordinance: hotels, restaurants, bowling centers, theaters, clubs or congressionally chartered veterans organizations, theaters and exclusive liquor stores. Club licenses may be issued only with the approval of the Commissioner of Public Safety. The fee for club licenses established by the Council under 114.0010 of this ordinance shall not exceed the amounts provided for in Minn. Stat. § 340A.408, subd. 2(b) as it may be amended from time to time. The Council may in its sound discretion authorize a retail on-sale licensee to dispense intoxicating liquor off the licensed premises at a community festival held within the city under the provisions of Minn. Stat. § 340A.404, subd. 4(b) as it may be amended from time to time. The Council may in its sound discretion authorize a retail on-sale licensee to dispense intoxicating liquor off the licensed premises at any convention, banquet, conference, meeting, or social affair conducted on the premises of a sports, convention, or cultural facility owned by the city, under the provisions of Minn. Stat. § 340A.404, subd. 4(a) as it may be amended from time to time; however, the licensee is prohibited from dispensing intoxicating liquor to any person attending or participating in an amateur athletic event being held on the premises.

(F) Sunday on-sale intoxicating liquor licenses, only after authorization to do so by voter approval at a general or special election as provided by Minn. Stat. § 340A.504, subd. 3, as it may be amended from time to time. Sunday on-sale intoxicating liquor licenses may be issued only to a restaurant as defined in 114.003 of this ordinance, club, bowling center, or hotel which has a seating capacity of at least 30 persons, which holds an on-sale intoxicating liquor license, and which serves liquor only in conjunction with the service of food. The maximum fee for this license, which shall be established by the Council under the provisions of 114.0010 of this ordinance, shall not exceed \$200, or the maximum amount provided by Minn. Stat. § 340A.504, subd. 3(c) as it may be amended from time to time.

(G) Combination on-sale/off-sale intoxicating liquor licenses if the city has a population less than 10,000.

(H) Temporary on-sale intoxicating liquor licenses, with the approval of the Commissioner of Public Safety, which may be issued only in connection with a social event sponsored by a club, charitable, religious, or other nonprofit corporation that has existed for at least three years; a political committee registered under state law; or a state university. No license shall be for longer than four consecutive days, and the city shall issue no more than 12 days' worth of temporary licenses to any one organization in one calendar year.

(I) On-sale wine licenses, with the approval of the Commissioner of Public Safety to: theaters, restaurants that have facilities for seating at least 25 guests at one time and meet the criteria of Minn. Stat. § 340A.404, subd. 5, as it may be amended from time to time, and which meet the definition of restaurant in section 3; to licensed bed and breakfast facilities which meet the criteria in Minn. Stat. § 340A.4011, subd. 1, as it may be amended from time to time and to theaters that meet the criteria of Minn. Stat. § 340A.404, subd. 1(b) as it may be amended from time to time. The fee for an on-sale wine license established by the Council under the provisions of 114.0010 of this ordinance, shall not exceed one-half of the license fee charged for an on-sale intoxicating liquor license. The holder of an on-sale wine license who also holds an on-sale 3.2 percent malt liquor license is authorized to sell malt liquor with a content over 3.2 percent (strong beer) without an additional license.

(J) One day consumption and display permits with the approval of the Commissioner of Public Safety to a nonprofit organization in conjunction with a social activity in the city sponsored by the organization.

(K) Approval of the issuance of a consumption and display permit by the Commissioner of Public Safety. The maximum amount of the additional fee which may be imposed by the Council on a person who has been issued a consumption and display permit under the provisions of 114.0010 of this ordinance shall not exceed \$300, or the maximum amount permitted by Minn. Stat. § 340A.414, subd. 6, as it may be amended from time to time. Consumption and display permits shall expire on March 31 of each year.

(L) Culinary class limited on-sale licenses may be issued to a business establishment not otherwise eligible for an on-sale intoxicating liquor license that, as part of its business, conducts

culinary or cooking classes for which payment is made by each participant or advance reservation required. The license authorizes the licensee to furnish to each participant in each class, at no additional cost to the participant, up to a maximum of six ounces of wine or 12 ounces of intoxicating malt liquor, during and as part of the class, for consumption on the licensed premises only.

(M) Temporary off-sale wine licenses, with the approval of the Commission of Public Safety, may be issued for the off-sale of wine at an auction. A license issued under this subdivision authorizes the sale of only vintage wine of a brand and vintage that is not commonly being offered for sale by any wholesaler in Minnesota. The license may authorize the off-sale of wine for not more than three consecutive days provided not more than 600 cases of wine are sold at any auction. The licenses are subject to the terms, including license fee, imposed by 114.0010.

(N) Brew pub on-sale intoxicating liquor or on-sale 3.2 percent malt liquor licenses, with the approval of the Commissioner of Public Safety, may be issued to brewers who operate a restaurant in their place of manufacture and who meet the criteria established at Minn. Stat. § 340A.24, as it may be amended from time to time. Sales under this license at on-sale may not exceed 3,500 barrels per year. If a brew pub licensed under this section possesses a license for off-sale under 114.009 (O) below, the brew pub's total combined retail sales at on-sale or off-sale may not exceed 3,500 barrels per year, provided that off-sales may not total more than 500 barrels.

(O) Brewer off-sale malt liquor licenses, with the approval of the Commissioner of Public Safety, may be issued to a brewer that is a licensee under 114.009 (N) above and otherwise meets the criteria established at Minn. Stat. § 340A.24, as it may be amended from time to time. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the city. Malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores. All malt liquor sold under this license shall be packaged in the manner required by Minn. Stat. § 340A.285 as it may be amended from time to time. Sales under this license may not exceed 500 barrels per year. If a brewer licensed under this section possesses a license under 114.009 (N) above, the brewer's total retail sales at on-sale or off-sale may not exceed 3,500 barrels per year, provided that off-sales may not total more than 750 barrels.

Brewer off-sale malt liquor licenses may also be issued, with approval of the Commissioner, to a holder of a brewer's license under Minn. Stat. § 340A.301, subd. 6(c), (i) or (j) and meeting the criteria established by Minn. Stat. § 340A.28 as may be amended from time to time. The amount of malt liquor sold at off-sale may not exceed 750 barrels annually. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the jurisdiction in which the brewer is located, and the malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores. Packaging of malt liquor for off-sale under this license must comply with section 340A.285.

(P) Brewer temporary on-sale intoxicating liquor licenses may be issued, with the approval of the Commissioner of Public Safety, to brewers who manufacture fewer than 3,500 barrels of malt liquor in a year for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the brewer.

(Q) A brewer taproom license, may be issued to the holder of a brewer's license under M.S. § 340A.301 Subd. 6(c), (i) or (j) as it may amended from time to time. A brewer's 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. A brewer may have only one taproom license and may not have an ownership interest in a brewer licensed under Minn. Stat. § 340A.301 Subd. 6(d) as it may be amended from time to time. A brewer taproom license may not be issued to a brewer that brews more than 250,000 barrels of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually. Within ten days of issuing a brewer taproom license the City Clerk will inform the Commissioner of Public Safety of the licensee's name, address, trade name and the effective date and expiration date of the license. The City Clerk will inform the Commissioner of Public Safety of a license transfer, cancellation, suspension, or revocation during the license period.

(R) A cocktail room license may be issued to the holder of a state microdistillery license if at least 50 percent of the annual production of the licensee is processed and distilled on premises. 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. The holder of a microdistillery cocktail room license may also hold a license to operate a restaurant at the distillery. No more than one cocktail room license may be issued to any distiller and a microdistillery cocktail room license may not be issued to any person having an ownership interest in a distillery licensed under Minn. Stat. § 340A.301 subd. 6 (a). No single entity may hold both a microdistillery cocktail room and taproom license and a microdistillery cocktail room and taproom license may not be co-located. Within ten days of the issuance of a microdistillery cocktail room license, the city shall inform the commissioner of public safety of the licensee's name and address and trade name, and the effective date and expiration date of the license. The city shall also inform the commissioner of public safety of a microdistillery cocktail room license transfer, cancellation, suspension, or revocation during the license period.

(S) A microdistiller off-sale license may be issued to the holder of a state microdistillery license if at least 50 percent of the annual production of the licensee is processed and distilled on premises. A microdistiller off-sale license authorizes off-sale of one 375 milliliter bottle per customer per day of product manufactured on-site provided the product is also available for distribution to wholesalers.

(T) A microdistiller temporary on-sale intoxicating liquor license may be issued to the holder of a state microdistillery license. A microdistillery temporary on-sale intoxicating liquor license authorizes on-sale of intoxicating liquor in connection with a social event within the city sponsored by the microdistillery.

114.010. LICENSE FEES; PRO RATA.

(A) No license or other fee established by the city shall exceed any limit established by Minn. Stat. Ch. 340A, as it may be amended from time to time, for a liquor license.

(B) The Council may establish from time to time in the Ordinance Establishing Fees and Charges the fee for any of the liquor licenses it is authorized to issue. The license fee may not exceed the cost of issuing the license and other costs directly related to the enforcement of the liquor laws and this ordinance. No liquor license fee shall be increased without providing mailed notice of a hearing on the proposed increase to all affected licensees at least 30 days before the hearing.

(C) The fee for all licenses, except temporary licenses, granted after the commencement of the license year shall be prorated on a quarterly basis.

(D) All license fees shall be paid in full at the time the application is filed with the city. If the application is denied, the license fee shall be returned to the applicant.

(E) A refund of a pro rata share of an annual license fee may occur only if authorized by Minn. Stat. § 340A.408, subd. 5, as it may be amended from time to time.

114.011. COUNCIL DISCRETION TO GRANT OR DENY A LICENSE.

The Council in its sound discretion may either grant or deny the application for any license or for the transfer or renewal of any license. No applicant has a right to a license under this ordinance.

114.012. APPLICATION FOR LICENSE.

(A) *Form.* Every application for a license issued under this ordinance shall be on a form provided by the city. Every application shall state the name of the applicant, the applicant's age, representations as to the applicant's character, with references as the Council may require, the type of license applied for, the business in connection with which the proposed license will operate and its location, a description of the premises, whether the applicant is owner and operator of the business, how long the applicant has been in that business at that place, and other information as the Council may require from time to time. An application for an on-sale intoxicating liquor license shall be in the form prescribed by the Commissioner of Public Safety and shall also contain the information required in this section. The form shall be verified and filed with the city. No person shall make a false statement in an application.

(B) *Financial responsibility.* Prior to the issuance of any license under this ordinance, the applicant shall demonstrate proof of financial responsibility as defined in Minn. Stat. § 340A.409, as it may be amended from time to time, with regard to liability under Minn. Stat. § 340A.801, as it may be amended from time to time. This proof will be filed with the city and the Commissioner of Public Safety. Any liability insurance policy filed as proof of financial responsibility under this section shall conform to Minn. Stat. § 340A.409, as it may be amended from time to time. Operation of a business which is required to be licensed by this ordinance without having on file with the city at all times effective proof of financial responsibility is a cause for revocation of the license.

114.013. DESCRIPTION OF PREMISES.

The application shall specifically describe the compact and contiguous premises within which liquor may be dispensed and consumed. The description may not include any parking lot or sidewalk.

114.014. APPLICATIONS FOR RENEWAL.

At least 90 days before a license issued under this ordinance is to be renewed, an application for renewal shall be filed with the city. The decision whether or not to renew a license rests within the sound discretion of the Council. No licensee has a right to have the license renewed.

114.015. TRANSFER OF LICENSE.

No license issued under this ordinance may be transferred without the approval of the Council. Any transfer of stock of a corporate licensee is deemed to be a transfer of the license, and a transfer of stock without prior Council approval is a ground for revocation of the license. An application to transfer a license shall be treated the same as an application for a new license, and all of the provisions of this code applying to applications for a license shall apply.

114.016. INVESTIGATION.

(A) Preliminary background and financial investigation. On an initial application for a license, on an application for transfer of a license and, in the sound discretion of the Council that it is in the public interest to do so, on an application for renewal of a license, the city shall conduct a preliminary background and financial investigation of the applicant or it may contract with the Commissioner of Public Safety for the investigation. The applicant shall pay with the application an investigation fee of \$500 which shall be in addition to any license fee. If the cost of the preliminary investigation is less than \$500, the unused balance shall be returned to the applicant. The results of the preliminary investigation shall be sent to the Commissioner of Public Safety if the application is for an on-sale intoxicating liquor license or an on-sale wine license.

(B) Comprehensive background and financial investigation. If the results of a preliminary investigation warrant, in the sound discretion of the Council, a comprehensive background and financial investigation, the Council may either conduct the investigation itself or contract with the Commissioner of Public Safety for the investigation. The investigation fee for this comprehensive background and financial investigation to be paid by the applicant shall be \$500, less any amount paid for the initial investigation if the investigation is to be conducted within the state, and \$10,000, less any amount paid for the initial investigation, if the investigation is required outside the state. The unused balance of the fee shall be returned to the applicant whether or not the application is denied. The fee shall be paid in advance of any investigation and the amount actually expended on the investigation shall not be refundable in the event the application is denied. The results of the comprehensive investigation shall be sent to the Commissioner of Public Safety if the application is for an on-sale intoxicating liquor license or an on-sale wine license.

114.017. HEARING AND ISSUANCE.

The Council shall investigate all facts set out in the application and not investigated in the preliminary or comprehensive background and financial investigations. Opportunity shall be given to any person to be heard for or against the granting of the license. After the investigation and hearing, the Council shall in its sound discretion grant or deny the application. No license shall become effective until the proof of financial security has been approved by the Commissioner of Public Safety.

114.018. RESTRICTIONS ON ISSUANCE.

(A) Each license shall be issued only to the applicant for the premises described in the application.

(B) Not more than one license shall be directly or indirectly issued within the city to any one person.

(C) No license shall be granted or renewed for operation on any premises on which taxes, assessments, utility charges, service charges, or other financial claims of the city are delinquent and unpaid.

(D) No license shall be issued for any place or any business ineligible for a license under state law.

(E) No license shall be granted within 200 feet of any school or church. The distance is to be measured from the closest side of the church to the closest side of the structure on the premises within which liquor is to be sold.

114.019. CONDITIONS OF LICENSE.

The failure of a licensee to meet any one of the conditions of the license specified below shall result in a suspension of the license until the condition is met.

(A) Within 90 days after employment, every person selling or serving liquor in an establishment which has an on-sale license shall receive training regarding the selling or serving of liquor to customers. The training shall be provided by an organization approved by the Council. Proof of training shall be provided by the licensee.

(B) Every licensee is responsible for the conduct of the place of business and the conditions of sobriety and order in it. The act of any employee on the licensed premises is deemed the act of the licensee as well, and the licensee shall be liable to all penalties provided by this ordinance and the law equally with the employee.

(C) Every licensee shall allow any peace officer, health officer, city employee, or any other person designated by the Council to conduct compliance checks and to otherwise enter, inspect,

and search the premises of the licensee during business hours and after business hours during the time when customers remain on the premises without a warrant.

(1) Compliance checks. Compliance checks shall mean the system the City uses to investigate and ensure that those authorized to sell alcohol, beer, or malt beverages are following and complying with the requirements of this ordinance. Compliance checks shall involve the use of minors as authorized by the City's ordinance and/or state statute.

Compliance checks shall also mean the use of minors who attempted to purchase alcohol, beer, or malt beverages for educational, research, and training purposes as authorized by state and federal laws.

(a) Compliance checks and inspections. All licensed premises shall be open to inspection by the City or other authorized City representative during regular business hours. From time to time, but at least once per year the City shall conduct compliance checks by engaging, with the written consent of their parents or guardians, minors over the age of seventeen (17) years but less than twenty-one (21) years old to enter the licensed premises to attempt to purchase alcohol, beer, or malt beverages. Minors used for the purposes of compliance checks shall be supervised by City designated law enforcement officers or other designated City personnel. Minors used for compliance checks shall not be guilty of unlawful possession of alcohol, beer, or a malt beverage when such items are obtained as a part of a compliance check. No minor used in compliance checks shall attempt to use a false identification misrepresenting the minor's age.

The results of City conducted alcohol compliance checks can be used by the City to determine whether or not the license holder's application for renewal will be granted.

(D) No on-sale establishment shall display liquor to the public during hours when the sale of liquor is prohibited.

(E) Compliance with financial responsibility requirements of state law and of this ordinance is a continuing condition of any license.

(F) Failure by on off-sale intoxicating liquor license who has received a fee reduction pursuant to 114.0010 (f) of this ordinance to abide with the provisions of 114.0010 (f).

114.020. HOURS AND DAYS OF SALE.

(A) The hours of operation and days of sale shall be those set by Minn. Stat. § 340A.504, as it may be amended from time to time, except that the City Council may, by resolution or ordinance, provide for more restrictive hours than state law allows.

(B) No person shall consume nor shall any on-sale licensee permit any consumption of intoxicating liquor or 3.2 percent malt liquor in an on-sale licensed premises more than 30 minutes after the time when a sale can legally occur.

(C) No on-sale licensee shall permit any glass, bottle, or other container containing intoxicating liquor or 3.2 percent malt liquor to remain upon any table, bar, stool, or other place where customers are served, more than 30 minutes after the time when a sale can legally occur.

(D) No person, other than the licensee and any employee, shall remain on the on-sale licensed premises more than 30 minutes after the time when a sale can legally occur.

(E) Any violation of any condition of this section may be grounds for revocation or suspension of the license.

114.021. MINORS ON PREMISES.

(A) No person under the age of 18 years shall be employed in any rooms constituting the place in which intoxicating liquors or 3.2 percent malt liquor are sold at retail on sale, except that persons under the age of 18 may be employed as musicians or to perform the duties of a bus person, host or dishwashing services in places defined as a restaurant, hotel, motel or other multi-purpose building serving food in rooms in which intoxicating liquors or 3.2 percent malt liquor are sold at retail on sale.

(B) No person under the age of 21 years may enter a licensed establishment except to work, consume meals on premises that qualify as a restaurant, or attend social functions that are held in a portion of the premises where liquor is not sold.

114.022. RESTRICTIONS ON PURCHASE AND CONSUMPTION.

No person shall mix or prepare liquor for consumption in any public place of business unless it has a license to sell on-sale, or a permit from the Commissioner of Public Safety under the provisions of Minn. Stat. § 340A.414, as it may be amended from time to time, which has been approved by the Council, and no person shall consume liquor in any such place.

114.023. SUSPENSION AND REVOCATION.

(A) The Council shall either suspend for a period not to exceed 60 days or revoke any liquor license upon finding that the licensee has failed a City-initiated compliance check or to comply with any applicable statute, regulation, or provision of this ordinance relating to liquor. Except in cases of lapse of proof of financial responsibility, no suspension or revocation shall take effect until the licensee has been afforded an opportunity for a hearing pursuant to the Administrative Procedures Act, Minn. Stat. §§ 14.57 to 14.70, as it may be amended from time to time. The Council may act as the hearing body under that act or use the Administrative Hearing Officer.

(B) The following are the minimum periods of suspension or revocation which shall be imposed by the Council for violations of the provisions of this ordinance or Minn. Stat. Ch. 340A, as it may be amended from time to time or any rules promulgated under that chapter as they may be amended from time to time:

(1) For commission of a felony related to the licensed activity, sale of alcoholic beverages while the license is under suspension, sale of intoxicating liquor where the only license is for 3.2 percent malt liquor, or violation of 114.004, the license shall be revoked.

(2) The license shall be suspended by the Council after a finding under division (A) that the licensee has failed to comply with any applicable statute, rule, or provision of this ordinance for at least the minimum periods as follows:

(a) For the first violation within any three-year period, at least one day suspension in addition to any criminal or civil penalties which may be imposed.

(b) For a second violation within any three-year period, at least three consecutive days suspension in addition to any criminal or civil penalties which may be imposed.

(c) For the third violation within any three-year period, at least seven consecutive days suspension in addition to any criminal or civil penalties which may be imposed.

(d) For a fourth violation within any three-year period, the license shall be revoked.

(3) The Council shall select the day or days during which the license will be suspended.

(C) Lapse of required proof of financial responsibility shall effect an immediate suspension of any license issued pursuant to this ordinance or state law without further action of the Council. Notice of cancellation or lapse of a current liquor liability policy shall also constitute notice to the licensee of the impending suspension of the license. The holder of a license who has received notice of lapse of required insurance or of suspension or revocation of a license may request a hearing thereon and, if a request is made in writing to the Clerk, a hearing before the Council shall be granted within ten days. Any suspension under this division (B) shall continue until the Council determines that the financial responsibility requirements of state law and this ordinance have again been met.

(D) The provisions of 114.0030 pertaining to administrative penalty may be imposed in addition to or in lieu of any suspension or revocation under this ordinance.

114.024. APPLICATION OF SECTIONS 114.025-.029.

Sections 114.025-.029 apply to Cambridge because the City has a municipal liquor store.

114.025. MUNICIPAL LIQUOR STORE CONTINUED.

The city has in existence on the effective date of this ordinance a municipal liquor store for the sale of intoxicating liquor. Except as provided in 114.0029, no intoxicating liquor may be sold at retail elsewhere in the city.

114.026. LOCATION.

The municipal liquor store shall be located at a suitable place in the city as the Council determines by motion. However, no premises upon which taxes, assessments, or other public charges are delinquent shall be leased for municipal liquor store purposes. The Council shall have the right to establish additional off-sale and on-sale stores at other locations as it may, from time to time, by motion, determine.

114.027. OPERATION.

(A) *Manager.* The municipal liquor store shall be in the immediate charge of a Liquor Store Manager selected by the Council and paid compensation as is fixed by the Council. The Manager shall not be a person who would be prohibited by law or any provision of this ordinance from being eligible for an intoxicating liquor license. The Manager shall furnish a surety bond to the city, conditioned upon the faithful discharge of the duties of the office, in a sum as specified by the Council. The bond premium may be paid by the city or the Manager, in the discretion of the Council. The Manager shall operate the municipal liquor store under the Council's direction and shall perform those duties in connection with the store as may be established by the Council. The Manager shall be responsible to the Council for the conduct of the store in full compliance with this ordinance and with the laws relating to the sale of intoxicating liquor and 3.2 percent malt liquor.

(B) *Other employees.* The Council may also appoint additional employees as may be required and shall fix their compensation. All employees, including the Manager, shall hold their positions at the pleasure of the Council. No person under the age of 18 shall be employed in the store. The Council may require the employees to furnish surety bonds conditioned for the faithful discharge of their duties in a sum as specified by the Council. The premium on the bond may be paid by the city or the employees, as the Council determines.

(C) *Municipal liquor store fund.* All of the revenues received from the operation of a municipal liquor store shall be deposited in a municipal liquor store fund from which all ordinary operating expenses, including compensation of the Manager and employees, shall be paid. Surpluses accumulating in the fund may be transferred to the general fund of the city or to any other appropriate fund of the city by resolution of the Council, and may be expended for any municipal purpose. The handling of municipal liquor store receipts and disbursements shall comply with the procedure prescribed by law and charter for the receipts and disbursements of city funds generally.

(D) *Financial statement.* The Council shall provide within 90 days following the end of the calendar year for publication a balance sheet using generally accepted accounting procedures and a statement of operations of the municipal liquor store for that year. The balance sheet and statement shall be published in accordance with the provisions of Minn. Stat. § 471.6985, as it may be amended from time to time.

(E) *Hours of operation.* No off sale of intoxicating liquor shall be made in the municipal liquor dispensary on Sunday, ~~nor~~ before 11:00 am or after 6:00 pm or before 8:00 a.m. or after

10:00 p.m. Monday through Saturday of any day. No sale shall be made on Easter, Thanksgiving Day, after 8:00 pm on Christmas Eve Day, December 24, or Christmas Day, December 25. No person, other than the Manager or a store employee, may remain in the municipal liquor store longer than one-half hour after the time when the sale of intoxicating liquor must cease.

114.028. PROOF OF FINANCIAL RESPONSIBILITY.

The city shall demonstrate proof of financial responsibility required by licensees of retail intoxicating liquor establishments under the provisions of Minn. Stat. § 340A.409, as it may be amended from time to time.

114.029. ISSUANCE OF OTHER LICENSES.

(A) *On-sale licenses for the sale of intoxicating liquor.* The Council may issue in its sound discretion on-sale licenses to a club under Minn. Stat. § 340A.404, subd. 1(4), as it may be amended from time to time. If the voters have authorized their issuance at a special election called for that purpose, the Council may issue in its sound discretion on-sale liquor licenses to hotels and restaurants. The number of on-sale licenses issued under this section is governed by Minn. Stat. § 340A.413, as it may be amended from time to time, as limited by the provisions of this ordinance. The issuance of these licenses is governed by the provisions of this ordinance.

(B) *Off-sale licenses for the sale of intoxicating liquor.* State law does not authorize the issuance of off-sale licenses for the sale of intoxicating liquor by cities which operate a municipal liquor dispensary.

(C) *On- and off-sale 3.2 percent malt liquor licenses.* The Council may issue 3.2 percent malt liquor licenses in its sound discretion as provided in this ordinance.

114.030. PENALTIES.

(A) Any person violating the provisions of this ordinance or Minn. Stat. Ch. 340A as it may be amended from time to time or any rules promulgated under that chapter as they may be amended from time to time is guilty of a misdemeanor and upon conviction shall be punished as provided by law.

(B) The Council shall impose a civil penalty of up to \$2,000 for each violation of Minn. Stat. Ch. 340A, as it may be amended from time to time, and of this ordinance. Conviction of a violation in a court of law is not required in order for the Council to impose the civil penalty. A hearing under the Administrative Procedures Act, Minn. Stat. §§ 14.57 to 14.70, as it may be amended from time to time, is not required before the penalty is imposed, but the Council shall hold a hearing on the proposed violation and the proposed penalty and hear any person who wishes to speak. Non-payment of the penalty is grounds for suspension or revocation of the license. The following is the minimum schedule of presumptive civil penalties which must be imposed in addition to any suspension unless the license is revoked:

(1) For the first violation within any three-year period, \$500.

(2) For the second violation within any three-year period, \$1,000.

(3) For the third and subsequent violations within any three-year period, \$2,000.

(C) The term “violation” as used in 114.0023 includes any and all violations of the provisions in this section, or of Minn. Stat. Ch. 340A, as it may be amended from time to time or any rules promulgated under that chapter as they may be amended from time to time. The number of violations shall be determined on the basis of the history of violations for the preceding three-year period. Revocation shall occur within 60 days following a violation for which revocation is imposed.

§ 114.031 SEVERABILITY.

If any section of this chapter is held invalid, such invalidity shall not affect other sections or provisions which can be given force and effect without invalidating the section or provision

This ordinance shall be in full force and effect from and after its passage and publication according to law. Adopted by the Cambridge City Council this 19th day of March, 2018.

Marlys A. Palmer, Mayor

ATTEST:

Lynda J. Woulfe, City Administrator

Date of Publication: March 28, 2018

Summary Ordinance for Publication

The City Council of the City of Cambridge adopted Ordinance 671 amending Title XI Business Regulations, Chapter 114 Alcoholic Beverages which regulates licensing of on-sale intoxicating liquor licenses, 3.2 off sale liquor licenses, wine-beer licenses, brewery-brew pub licenses, prohibits off-site delivery of liquor, and municipal liquor store. The complete ordinance is available for public inspection at the office of the City Administrator, 300 3rd Ave NE, Cambridge, Minnesota.

ATTEST:

Lynda J. Woulfe, City Administrator

Date of Publication: March 28, 2018