

Minnesota Attorney General: Administrative Rules Proceedings

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MINNESOTA STATE REGULATIONS

Notice of filing by the Commissioner of Administration

We have received on this date, stamped and filed 2 copies of Rules and Regulations pertaining to the Liquor Control
(Agency or Board)

Regulation No. Liq 1 thru Liq 124 (Complete revision, renumbering + refeading)

Subject: Miscellaneous Liquor Regs

Department of Administration
Publication, Central Services Division
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AUTH. SIGNATURE EJ

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Rev. 9-72

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE JOSEPH V. NOVAK
LIQUOR CONTROL COMMISSIONER

In the matter of the Proposed Adoption of Regulations of the State Liquor Control Commissioner Amending and Repealing Provisions of Liquor Regulations, Chapters 1 through 14, except Chapter 6 (Advertising) as amended, relating to, Taxes; Licenses and Permits; Duties and Restrictions upon Manufacturers, Wholesalers and Importers; Issuance of Retail Licenses, Responsibility of Retailers; Brand Label Registrations; Importation and Transportation; Identification, Labeling and Standards of Fill; Bottle Clubs; Minimum Consumer Resale Prices; Pharmacists, Druggists and Ethyl Alcohol; Ethyl Alcohol and Non-Beverage Use; Hearings and Penalties.

FINDINGS OF FACT

The above-entitled matter came on for hearing before the Liquor Control Commissioner of the State of Minnesota on the 14th day of January, 1974, at 9:00 A.M. in the Veterans Service Building, St. Paul, Minnesota, after proper notice required by Minn. Stat. 15.0412 (1971) was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having considered all of the evidence adduced and upon the records, files and proceedings herein, I find the following:

FACTS

I

Amendments in proposed Chapters 2, 4 and 10 establishing half-gallons as a new standard of fill for distilled spirits are supported by evidence that use of half-gallon containers will reduce storage facilities required to be maintained by retailers, resulting in material savings which can be passed on to consumers. In addition, the use of half-gallon containers will help alleviate shortages in glass and paper.

II

Amendment in proposed Chapter 4 authorizing sale of miniatures to pharmacists having a permit to sell medicinal liquors on prescription for dispensing to patients in hospitals and nursing homes, is supported by evidence that miniatures are easier to handle from the health and sanitary standpoint than larger containers which are left standing partially filled after the prescribed amounts have been dispensed from them. Miniatures provide the hospital or nursing home with much better control over the dispensing of prescribed liquors.

III

Amendments in proposed Chapter 6 authorizing miniatures to be dispensed by approved mechanical devices are supported by evidence that such devices can be controlled to prevent illegal sales to minors and sales at unauthorized hours. These devices are equipped so they can be deactivated by the management of a hotel or motel if minors are registered in a room where such devices are located. In addition, these devices can be deactivated by a time clock after the legal hour for the sale of liquor has passed.

IV

Amendment in proposed Chapter 12 eliminating the requirement that pharmacists submit to the Commissioner the original copies of prescriptions for intoxicating liquor, is supported by evidence that filing such original copies is impossible due to the practice in many hospitals of writing the prescription order on the patient's chart. That chart is a permanent medical record which cannot be submitted to the Commissioner

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The balance of the amendments are concerned primarily with bringing present regulations into conformity with statutory changes.

STATE OF MINNESOTA
LIQUOR CONTROL DEPARTMENT

Joseph V. Novak
Liquor Control Commissioner

FINAL AMENDMENTS TO LIQUOR REGULATIONS

DEPARTMENT OF LIQUOR CONTROL

CHAPTER ONE

DEFINITIONS

Scope of 1973 Amendments to Regulations

The adoption, repeal or amendment of any regulation herein shall not be deemed applicable to the enforcement or construction of Minn. Laws 1973 Chapter 664 Section 2 (Minn. Stat. Section 340.114)

~~Definitions~~ Liq 1 In the statutes and regulations the following words and phrases will be used and shall have the meaning as hereinafter defined. ~~Minn. St. means Minnesota Statutes.~~

(a) Age (as it applies to distilled spirits) means the period during which, after distillations and before bottling, distilled spirits have been kept in new or used oak containers, as provided for by federal regulations.

~~(b) Advertising means and includes any advertisement of alcoholic beverages through the medium of radio broadcasting, television, motion pictures, public address system, newspapers, periodicals, or other publication, or any sign or outdoor advertisement, or any other printed or graphic matter.~~

~~(c)~~ (b)

~~(d)~~ (c)

~~(e)~~ (d) Beer, as defined in ~~Title 26~~ the Code of Federal Regulations ~~(1954)~~ ~~Part 245~~ and Chapter ~~Nine~~ Ten hereof means malt beverages or malt liquors.

~~(f) Brewer, see Section 340.44.~~

~~(g) Clubs as defined in Minn. St. 340.07, Subd. 7, Minn. St. 340.11 Subd. 6, and Minn. St. 340.14, Subd. 3.~~

~~(h) Commissioner, Minn. St. Sections 340.08 and 340.44, (4).~~

~~(i)~~ (e) Container, and original container, ~~depending on the context, have several meanings.~~ have the following meanings depending upon the context in which used.

(2) For malt beverages they mean (1) full or fractional barrels, (2) cases of bottles, (3) individual bottles as each may be designated as a unit, see Section 340.07, Subd. 2, 10 or any container which is sealed.

~~(j)~~ (f) Distilled spiri[redacted] as defined in ~~Title 26, the~~ [redacted]e of Federal Regulations ~~(1954) Part 220~~ and Chapter ~~Nine~~, Ten hereof means distilled spirits and intoxicating liquors in which the alcoholic contents are produced principally by distillation process.

~~(k) Excise tax, see Section 340.47 and Chapter One.~~

~~(l) Exclusive liquor store, see Section 340.07, Subd. 5.~~

~~(m) Hotel, see Section 340.07, Subd. 4.~~

~~(n)~~ (g)

~~(o) Intoxicating liquor includes distilled spirits, wine and malt beverages containing more than 3.2 per cent of alcohol by weight, see Sections 340.07, Subd. 1 and 340.401 to 340.407.~~

~~(p)~~ (h) Licensee, depending on the context, may mean any "person" who has been issued a license by the State of Minnesota or any of its subdivisions pursuant to Minn. St. Chapter 340, to manufacture or wholesale, or sell at retail intoxicating liquor or to engage in business of ~~brewing~~, brewer, wholesale distributor or retail ~~sale~~ seller of malt beverages. ~~"Licensed Premises" means only the area described in the application for such license.~~

(i) Licensed premises means only the area described in the application for such license.

~~(q) Manufacturer, See Section 340.07, Subd. 4.~~

~~(r) Medicinal, mechanical and scientific, see Sections 340.07, Subd. 3 and 340.18.~~

~~(s) Municipality, see Section 340.07, Subd. 3.~~

~~(t) Non intoxicating malt liquor means malt beverages named in Chapter Nine which contain alcohol of not less than 1/2 of 1 per cent by volume nor more than 3.2 per cent by weight (4 per cent by volume). Sections 340.01 to 340.06 inclusive.~~

~~(u) "On sale" and "off sale" See Section 340.07, Subd. 1.~~

~~(v)~~ (j) Place of business, includes any public business establishment or private club where intoxicating liquor, non-intoxicating malt liquor, or soft drinks are sold, or which permits the display and consumption of intoxicating liquor, ~~see Section 340.14, Subd. 3~~, as provided for in Minn. St. 340.119.

~~(w) Person includes natural persons, bodies politic, corporations, partnership and other unincorporated associations. Section 645.44, Subd. 7.~~

~~(x) Restaurant, see Section 340.07, Subd. 6.~~

~~(y) Sacramental wine, see Sections 340.17 and 340.50.~~

~~(z) Sale and sell, See Section 340.07, Subd. 1.~~

(k) Wine means wine as defined in the Code of Federal Regulations and Chapter Ten hereof.

~~(aa) Wine means wine as defined in Rule 26, Code Federal Regulations (1954) Part 240 and Chapter Nine.~~

~~(bb) Wholesale distributor, see Sections 340.07, Subd. 1, and 340.44.~~

~~(cc) "Minor" See Section 340.14, Subd. 1.~~

Liq 2 - 4 Reserved For Future Use.

Liq ~~1~~ 5

(a) Excise tax on distilled spirits and wine as provided by Minnesota Statutes Section 340.47, Subdvision 1.

Distilled spirits ~~& sparkling wine~~ . . . . . ~~$2.50~~ $4.39 per gallon (128 oz.)

NOTE: Containers of bitters which have the Federal liquor strip stamp attached shall be considered as intended for beverage purpose and shall be taxed as distilled spirits.

Champagne & Sparkling wines. . . . . .$3.08 per gallon (128 oz.)

Still wine, 14 to 21 per cent . . . . . ~~$.60~~ $ .79 per gallon (128 oz.)

Still wine, not more than 14 per cent . . . . ~~$.20~~ $ .27 per gallon (128.0z.)

~~(b) Subd. 5 provides for a surtax of 15% of the face excise tax value on distilled spirits and wine.~~

~~(c)~~ (b)

~~(d)~~ (c)

~~Distilled Spirits & Sparkling Wine~~

	~~@ $2.50 Excise~~	~~@ 15% Surtax~~	~~@ $.01 Certs~~	~~Total Tax per Bottle~~
~~Quarts~~	~~$.625~~	~~$.09375~~	~~$.01~~	~~$.72875~~
~~Fifths~~	~~.50~~	~~.7500~~	~~.01~~	~~.585~~
~~Pints~~	~~.3125~~	~~.04688~~	~~.01~~	~~.36938~~
~~Tenths~~	~~.35~~	~~.03750~~	~~.01~~	~~.0975~~
~~1/2 Pints~~	~~.15625~~	~~.02344~~	~~.01~~	~~.18969~~
~~Splits~~	~~.15625~~	~~.02344~~	~~.00~~	~~.17969~~
~~Miniatures (Common Carriers~~				
~~Only~~	~~.0625~~	~~.00938~~	~~.00~~	~~.07188~~

~~Still Wines Not More than 14 to 21 per cent alcohol by volume.~~

	@ $.60 Excise	@ 15% Surtax	@ $.01 Certs	Total Tax Per Bottle
~~Gallons~~	~~$.60~~	~~$.09~~	~~$.01~~	~~$.70~~
~~1/2 Gallons~~	~~.30~~	~~.045~~	~~.01~~	~~.355~~
~~Quarts~~	~~.15~~	~~.0225~~	~~.01~~	~~.1825~~
~~Fifths~~	~~.12~~	~~.018~~	~~.01~~	~~.148~~
~~Pints~~	~~.075~~	~~.01125~~	~~.01~~	~~.09625~~
~~Tenths~~	~~.06~~	~~.009~~	~~.01~~	~~.079~~
~~1/2 Pints~~	~~.0375~~	~~.005625~~	~~.01~~	~~.053125~~
~~Splits~~	~~.0375~~	~~.005625~~	~~.00~~	~~.043125~~

~~Still Wines Not More than 14 per cent of alcohol by volume.~~

	@ $.20 Excise	@ 15% Surtax	@ $.01 Certs	Total Tax Per Bottle
~~Gallons~~	~~$.20~~	~~$.03~~	~~$.01~~	~~$.24~~
~~1/2 Gallons~~	~~.10~~	~~.015~~	~~.01~~	~~.125~~
~~Quarts~~	~~.05~~	~~.0075~~	~~.01~~	~~.0675~~
~~Fifths~~	~~.04~~	~~.006~~	~~.01~~	~~.056~~
~~Pints~~	~~.025~~	~~.00375~~	~~.01~~	~~.03875~~
~~Tenths~~	~~.02~~	~~.003~~	~~.01~~	~~.033~~
~~1/2 Pints~~	~~.0125~~	~~.001875~~	~~.01~~	~~.024375~~
~~Splits~~	~~.0125~~	~~.001875~~	~~.00~~	~~.014375~~

Distilled Spirits:

Excise @ $4.39 Per Wine Gallon

Half Gallons	$ 2.195
Quarts	1.0975
Fifths	.878
Pints	.54875
Tenths	.439
Half Pints	.274375
Minatures	.12

Champagne & Sparkling Wine:

Excise @ $3.08 per Wine Gallon

Quarts	$ .77
Fifths	.616
Pints	.385
Tenths	.308
Half Pints	.1925
Splits	.1925

Still Wines 14 - 2[illegible] per cent alcohol by volume:		Still Wi[illegible] Not More than 14 per cent [illegible]cohol by volume:	
Excise @ $ .79 Per Wine Gallon		Excise @ $ .27 Per Wine Gallon	
Gallons	$ .79	Gallons	$ .27
Half Gallons . . .	.395	Half Gallons	.135
Quarts	.1975	Quarts	.0675
Fifths	.158	Fifths	.054
Pints	.09875	Pints	.03375
Tenths	.079	Tenths	.027
Half Pints	.049375	Half Pints	.016875
Splits	.049375	Splits	.016875

Liq 2 6

Liq 3 7

Liq 4 8

Liq 5 9

Liq 6 10

Liq 7 11

(i) (3) Computation of taxes due shall be based on the total taxable sales of the gallonage and bottles record, Line 18, which shall be entered on Lines 32 through 35 respectively, extended by the tax rates as provided, and totaled on Line 37.

~~The surtax, 15% of the excise tax, shall be computed on the excise tax and totaled to Line 38.~~

Containers sold, Lines 12 and 18, which should have certification labels affixed shall be combined on Line 39.

The gross tax due for the month, Line 40, is the sum of Lines 37, 38a, 38b and 39.

Tax credit is allowed for certification labels affixed to containers sold as recorded on Line 29, when entered on Line 41.

Additional tax credits may be allowed on Line 42 for tax overpayments of

prior periods determined by audit at a later date for receivings that were overstated or exempt sales that were not claimed.

The total credits against the tax due shall be totaled on Line 42 to arrive at the net tax due for the month as recorded on Line 43.

Liq 8 12

(a) Excise tax on malt beverages, as provided by Minn. St. 340.47, Subd. 2, and containing not more than 3.2 per cent of alcohol by weight, ~~$1.60~~ $2.00 per barrel (31 gallons); malt beverages containing more than 3.2 per cent of alcohol by weight, ~~$3.20~~ $4.00 per barrel (31 gallons).

(b) Tax rate schedule on malt beverages:

Size of Container or Case	Containing NOT MORE than 3.2% Alcohol by Weight	Containing MORE Than 3.2% Alcohol by Weight
~~1-Barrel~~	~~$1.60~~	~~$3.20~~
~~1/2-Barrel~~	~~.80~~	~~1.60~~
~~1/4-Barrel~~	~~.40~~	~~.80~~
~~6/128-Oz.-Containers~~	~~.30968~~	~~.61936~~
~~1/8-Barrel~~	~~.20~~	~~.40~~
~~48/12-Oz.-Cs.~~	~~.23226~~	~~.46452~~
~~12/32-24/16-Oz.-Cs.~~	~~.15484~~	~~.30968~~
~~24/12-36/8-Oz.-Cs.~~	~~.11613~~	~~.23226~~
~~1/288-Oz.-Container~~	~~.11613~~	~~.23226~~
~~4/64-Oz.-Cs.~~	~~.10323~~	~~.20645~~
~~36/7-Oz.-Cs.~~	~~.10161~~	~~.20323~~
~~35/7-Oz.-Cs.~~	~~.09879~~	~~.19758~~
~~24/8-Oz.-Cs.~~	~~.07742~~	~~.15484~~
~~24/7-Oz.-Cs.~~	~~.06774~~	~~.13548~~
~~12/12-Oz.-Cs.~~	~~.05806~~	~~.11613~~
~~1/144-Oz.-Container~~	~~.05806~~	~~.11613~~
~~1/128-Oz.-Container~~	~~.05162~~	~~.10323~~

1 Barrel	$ 2.00	$ 4.00
1/2 Barrel	1.00	2.00
1/4 Barrel	.50	1.00
1/8 Barrel	.25	.50
6/128 Oz. Containers	.38708	.77416
48/12 Oz. Cs.	.29032	.58064
12/32-24/16 Oz. Cs.	.19354	.38708
24/12-36/8 Oz. Cs.	.14516	.29032
1/288-2/144 Oz. Container .	.14516	.29032
4/64 Oz. Cs.	.12902	.25804
36/7 Oz. Cs.	.12702	.25404
35/7 Oz. Cs.	.12348	.24696
24/8 Oz. Cs.	.09678	.19356
24/7 Oz. Cs.	.08468	.16936
12/12-1/144 Oz. Container. .	.07258	.14516
1/128 Oz. (1 Gal.) Container .	.06452	.12904

Liq § 13 Minnesota Brewers Report. Minnesota brewers shall file reports on form No. 88 for 3.2 beer and on form No. 89 for strong beer, indicating all information as may be required to compute the amount of the excise tax due on taxable sales made within the state. Said reports shall indicate:

The brewer's beginning and ending inventory.

Beer manufactured.

Tax exempt sales (Defined Liq § 13 (a) of this chapter),

Taxable sales (Defined Liq § 13 (b) of this chapter).

(2)
(b) Taxable sales shall include:

(1) Beer sold to duly licensed retailers.

(2) Beer having not more than 3.2 per cent alcohol by weight sold to consumers as provided in Minn. St. Section 340.02, Subd. § 7.

Liq ~~40~~ 14

Liq ~~41~~ 15

Liq ~~42~~ 16

Liq ~~43~~ 17

Liq ~~44~~ 18 Retention of Records. All records as herein required shall be maintained in good order and readily accessible for a period of ~~two~~ four years.

~~Liq-46--Certain-Information-Confidential.--Files-and-tax-records-of-the commissioner-which-contain-brand-names-and-volume-of-business-of-the-taxpayer shall-be-confidential,-and-shall-not-be-obtainable-by-any-member-of-the-industry or-the-public,-unless-the-brand-owner,-or-taxpayer,-or-his-authorized-agent-shall give-written-consent-for-release-or-the-publication-thereof.--For-the-purpose of-public-revenues,-enforcement-and-administration-of-the-Liquor-Control-Act, and-statistical-summaries-thereof,-such-files-and-records-shall-be-available to-the-public.~~

Liq 20 - 21 - 23 Reserved For Future Use.

Liq ~~17~~ - 24

Liq ~~18~~ 25

(a) Minn. St. Section 340.11, Subd. ~~12~~ - 14 provides for a license fee for the manufacturer or wholesaler of distilled spirits and wine of ~~$3,000~~ $5,000 and such license shall be in effect for one year from the date of issuance. Minn. St. Section 340.12 provides for a coporate surety bond in the amount of $10,000 which shall accompany the license application and fee.

(b) The duplicate license fee for a manufacturer or wholesaler of distilled spirits and wine is ~~$2,500~~ $3,000 and such duplicate license shall be in effect and run concurrently with the period of the parent license. No bond is required.

Liq ~~19~~ 26 Out State Distiller, Rectifier, Winer or Wholesale Distributor License Fee. Minn. St. Section 340.113 provides for a license fee for any out-of-state distiller, rectifier, winer or wholesale distributor of distilled spirits, wine or ethyl alcohol of ~~$100~~ $150 and such license shall be in effect for one year from the date of issuance. No bond required.

Liq ~~20~~ 27 Exclusive Manufacturer or Wholesaler of Wine License Fee and Bond. In addition to the provisions of Liq ~~18~~ 25 (c) above, Minn. St. Section 340.11, Subd. ~~12~~ 14 provides for a license for the manufacturer or wholesaler of wine containing not more than 25 percent of alcohol by volume of ~~$300~~ $500 and such license shall be in effect for one year from the date of issuance. Minn. St. Section 340.12 provides for a corporate surety bond in the amount of $5,000 which shall accompany the license application and fee.

Liq ~~21~~ 28

Liq ~~22~~ 29 Minnesota Brewer License Fee and Bond. Minn. St. Section 340.402 provides for a license fee for a brewery manufacturing malt beverages containing more than 3.2 per cent of alcohol by weight of ~~$750~~ $1,000 and such license

shall be in effect for one year from the date of issuance. Minn. St. Section 340.403, Sub. 1 provides for a corporate surety bond in the amount of $5,000 which shall accompany the license application and fee.

Liq ~~23~~ 30 Wholesale Distributor of Malt Beverage License Fee and Bond.

(a) Minn. St. Section 340.402 provides for a license fee for a wholesaler of malt beverages containing more than 3.2 per cent of alcohol by weight of ~~$150~~ $200 and such license shall be in effect for one year from the date of issuance. Minn. St. Section 340.403, Subd. 1 provides for a corporate surety bond in the amount of $1,000 which shall accompany the license application and fee.

(b) Minn. St. Section 340.402 provides for a duplicate license fee for a wholesaler of malt beverages containing more than 3.2 per cent of alcohol by weight of ~~$10~~ $15 and such license shall be in effect and run concurrently with the period of the parent license. No bond is required.

(c) Minn. St. Section 340.02, Subd. ~~4~~ 5 provides for a license fee for a wholesaler of malt beverages containing not more than 3.2 per cent of alcohol by weight of $10 and such license shall be in effect for one year from the date of issuance. No bond is required.

Liq ~~24~~ 31 Out State Brewer License Fee and Bond. Minn. St. Section 340.493, Subd. 2 provides for a license fee for an out-of-state brewer or wholesale distributor of malt beverages of ~~$50~~ $100 and such license shall be in effect for one year from the date of issuance. The applicant shall file a corporate surety bond in the amount of not less than $1,000 and not more than $5,000; whatever sum shall be required by the Commissioner.

Liq ~~25~~ 32 Common Carrier License Fees and Bond.

(a) Minn. St. Section 340.11, Subd. ~~2~~ 3 provides for a license fee for a common carrier selling at retail distilled spirits and wine to passengers of ~~$50~~ $100 and such license shall be in effect for one year from the date of issuance. Minn. St. Section 340.12 provides for a corporate surety bond in the amount of $1,000 which shall accompany the license application and fee.

(b) The duplicate license fee for a common carrier selling at retail distilled spirits or wine to passengers is ~~$5~~ $10 and such duplicate license shall be in effect and run concurrently with the period of the parent license. No bond is required.

(c) The Sunday license issued by the Commissioner to common carriers as provided by Minn. St. 340.14, Subd. 5, (c) shall run concurrently with the period of the parent license. No bond is required.

~~(c)~~ (d)

~~(d)~~ (e)

Liq ~~26~~ 33

Liq ~~27~~ 34 Bottle Club Fees. Minn. St. Section ~~340.14, Subd. 3~~ 340.119 provides for a permit fee of $100.00 for private clubs and public places that qualify to permit their patrons to consume and display alcoholic beverages on the premises as covered by Chapter Ten of these regulations. Such permits shall be in effect July 1 through June 30 each year.

~~Liq 28--Minimum Consumer Price Fees.--Minn. St. Section 340.978 provides for an annual fee of $10.00 to cover cost of administering the Minimum Consumer Resale Price program to be paid by each licensed "off sale" retail dealer and "off sale" municipal liquor store.--Such fee shall be paid by July 1 of each year.~~

Liq ~~29~~ 35

~~(b)--Import alcohol permit.--Any person engaged in the manufacture or medicinal, pharmaceutical, antiseptic, flavoring extracts, syrups, food, scientific, chemical, mechanical, or industrial products, provided such products are unfit for beverage use, any municipal, county, or state agency, any scientific university or college of learning, any laboratory used exclusively for scientific research, or any hospital or sanatorium using or purchasing ethyl alcohol in quantities of thirty gallons or more shall apply to the Commissioner on form No. 42 for a permit to import ethyl alcohol from out of state distillers or wholesale distributors.~~

~~(i)~~ (h)

~~(j)~~ (i) Purchase alcohol permit. (1) Any person engaged in the manufacture of medicinal, pharmaceutical, antiseptic, flavoring extracts, syrups, food, scientific,

chemical, mechanical or industrial products, which ~~PROVIDED such products~~ are unfit for beverage use, or (2) any municipal, county, ~~or~~ state agency, any ~~scientific~~ university, ~~or~~ college, ~~or learning, any~~ laboratory used exclusively for scientific research, ~~or any~~ hospital or sanatorium using ethyl alcohol in connection with ~~such~~ manufacture or research~~, or institutions~~ shall apply to the Commissioner on form No 81 for a permit to purchase ethyl alcohol. ~~from Minnesota manufacturers or wholesale distributors, in quantities of less than thirty gallons.~~

Liq 36 and 37 Reserved For Future Use.

LIQ ~~30~~ 38

(a) Sales to retailers. Manufacturers and wholesalers shall not sell at retail excepting only the privileges granted to breweries by Minn. St. Section 340.02, Subd. ~~5~~ 10 and 340.11 Subd. 15. Manufacturers and wholesalers and their respective employees shall not sell or deliver alcoholic beverages to any person, club, or business establishment unless the purchaser is licensed or authorized to sell the respective beverages at retail. A sale to an unlicensed retailer shall be a violation subject to penalties provided by law or regulations.

(b) Written invoices. Manufacturers and wholesalers shall furnish a written invoice to each retailer for the alcoholic beverages sold and delivered to said retailer; the invoice shall clearly identify seller and purchaser, date, quantity, and brand names of products sold and the prices. When there are joint purchases as provided for in Minn. St. 340.408 manufacturers and wholesalers shall, in addition to the above, itemize on the invoice each such retailer purchasing jointly or in lieu thereof shall invoice joint purchases to each retailer separately.

(d) Wholesale distributor of malt beverage monthly reports. Monthly informational reports required. See Chapter ~~One~~ Two, Liq ~~12~~ 16.

(f) Filing wholesale catalogs. Minnesota manufacturers and wholesale distributors of distilled spirits and wines shall file with the Commissioner a catalog or list of all such products which they offer for sale in this state showing brand names and 1 case wholesale prices before such products are sold to the retail dealers. ~~Additions to and deletions from the list and price changes shall be filed in the same manner as the original list.~~ Such catalogs or lists shall remain permanent until amended by the wholesaler. Any amendments to the permanent catalog or list shall be filed on the 10th day of each month. Note: (Catalogs or lists will be used as a correlation between the permanent filed 1 case price and the filed "Varying Volume Price" (discount) schedule as provided for by Minn. St. 340.983.

(g) Price Posting "[redacted]rying Volume Prices" (discount[redacted]and amendments.

(1) Each manufacturer or wholesaler who sells or distributes distilled liquor or wine in this state to retailers shall file and maintain with the department in quadruple and in such form as the department shall prescribe, a written price schedule showing the "Varying Volume Prices" (discount) offered by such persons to retail licensees within the state.

(2) Such schedules shall be filed by eligible licensees at the time their license is issued and before any sales are made, and shall be effective immediately upon filing with the department. When a manufacturer wholesaler license is transferred from one legal entity to another, new 1 case price schedules and any "Varying Volume Price" (discounts) schedules shall be submitted by the new license entity before any sales are made. Such schedules shall become effective immediately upon filing with the department.

(3) "All Varying Volume Price" (discount) schedules shall be filed with the department on the tenth day of each month, and the schedule shall be effective from that day until the tenth day of the next month, provided that any filing may be amended within five days after its filing.

(4) Amendements to "Varying Volume Price" (discount) schedules may be deposited in the United States Mail, addressed to the department or placed on file with the department after the tenth day of the month however on or before the fifteenth day of the month to become effective on the sixteenth day of the month and to remain so until the tenth of the following month.

(5) For any month for which amendements are not filed by the deadline, the "Varying Volume Price" (discount) schedule previously filed shall remain in effect. For any month for which a "Varying Volume Prece" (discount) schedule is not filed by the deadline the last such filed schedule shall remain in effect.

(6) The word brand as used herein means "brand, trade mark, label, or name". And if an additional secondary name or a different form of label is used each will be considered to be a separate brand.

(7) For purposes of this regulation, purchasers who are licensed as common

carriers and military units qualified as government instrumentalities are not to be deemed "Retailers".

(8) No wholesaler of distilled spirits or wine shall file a catalog or list of one case prices, a "Varying Volume Price" (discount) schedule or an amended "Varying Volume Price" (discount) schedule on which is shown a selling price per case at less than the cost thereof to such wholesaler. Cost shall include FOB price from importer, freight, state and federal taxes and duty on imported merchandise.

(9) An amended "Varying Volume Price" (discount) may be filed at below the wholesalers cost, when such prices are filed to meet, in good faith, prices filed with the department on similar distilled spirits and wine by a competing wholesaler.

(10) Any manufacturer or wholesaler can meet competitive prices on the same or similar distilled spirits and wine by mailing or filing with the department on or before the fifteenth day of any calander month, an amendment to his effective "Varying Volume Price" (discount) schedule which lowers his price or prices per case or increases his quantity discounts. Such amended price schedule shall become effective at the same time the competitive price for the same or similar item of the same or competitive brand shall become effective, or immediately if such competitive price schedule shall have become effective.

A quantity discount filed to meet competition may not be filed in an amount that would reduce the net price of the brand, type or size container below the net price of the competitive brand for the same quantity.

(11) Wine may not be offered on original or assorted cases with distilled spirits or vice versa, and any quantity discount may not exceed 300 bottles of quarts or smaller bottles, or the equivalent of any authorized standard of fill not to exceed 25 cases.

(12) All permanent prices, "Varying Volume Prices" (discount) and amended "Varying Volume Prices" (discount) are public record.

(13) All "Varying Volume Prices" (discounts) and or their filed amendments must be understandable and enforceable by the department. If the department finds such filings to be not understandable and not enforceable, they will be rejected

By the sixteenth day of the month, setting forth the reasons for the rejection.

(14) Any filing licensee who publishes, mails, delivers, distributes advertises or in any other way directly or indirectly, disseminates distilled spirits and or wine information on one case permanent prices, "Varying Volume Price" (discounts) or amended "Varying Volume Price" (discounts) for any brand, to retailers served by him, shall, in any such material, include all such discounts filed by him for such brand, and shall disseminate such information to all retailers served by him.

(15) The publication mailing or delivering of any written material containing less than all of the "Varying Volume Price" (discounts) posted for any brand by a filing licensee shall be deemed a violation of this regulation.

(16) The mailing or delivering of written lists of "Varying Volume Price" (discounts) to selective retailers rather than to all retailers served by the filing licensee shall be deemed a violation of the regulation.

(17) The publication of one case permanent prices and all "Varying Volume Prices" (discounts) schedules filed with the department by a filing licensee, on or before the effective date thereof, in any trade journal or industry price book of general circulation among retailers, shall be deemed sufficient compliance with the provisions of subparagraphs (14), (15), (16) of paragraph (g).

(18) This regulation does not apply to a licensees salesman who has in his possession a "Varying Volume Price" (discount) schedule, and from which he orally informs a retailer as to "Varying Volume Price" (discounts) filed with the department.

(19) Any manufacturer or wholesaler may at any time file with the department written price schedules showing the one case price and the "Varying Volume Price" (discount) offered on any new brand, to become effective immediately.

(20) Whenever the tenth day of the month or the fifteenth day of the month falls on a Saturday, Sunday or a legal holiday, the distilled spirits and wine schedules required to be filed with the department shall be received by the department not later than the close of the next business day. Consequently, this will extend the 1 case price and the amended filings five days from the first business day

when the 1 case pric[redacted]nd the "Varying Volume Prices"[redacted]discounts) are received in this office, however, the next months filings will be filed on schedule as provided for by Statute and Regulations.

(21) Pursuant to an order issued by the department any price filings may be changed at any time to reflect changes in Federal or State Excise Taxes on distilled spirits and wine. Or to comply with the requirements of any order issued by the Federal Government relating to price control.

(22) All manufacturers and wholesalers sales to retailers, whether it be individual or joint sales, shall ship every such sale in the full amount at one time during the month of that sale.

(23) Manufacturers or wholesalers close out sales. Any manufacturer or wholesaler who desires to close out a brand or type of distilled spirits or wine below his cost for such products, shall apply to the Commissioner to do so. Permission will be granted at the discretion of the Commissioner, when the merchandise has been owned and possessed for a period of at least six months. All such authorized closeouts shall be so noted as close outs on the filed "Varying Volume Price (discount) schedule. Any manufacturer or wholesaler who closesout a brand or type of spirits or wine may not restock such product for a period of twelve months.

(24) If any paragraph, sentence, clause or phrase of this regulation is for any reason declared invalid, such decision shall not affect the validity of the remainin provisions of this regulation.

~~(g)~~ (h)

~~(h)~~ ~~(i)~~ Sales discrimination forbidden. Manufacturers and wholesale distributors shall not discriminate in the sale of their products to retail dealers except that manufacturers or wholesale distributors may refuse to sell intoxicating liquor or non-intoxicating malt liquor to a retail dealer who may have violated any law, Commissioners regulation, or municipal ordinance relating to the sale of such liquor at retail, or who has breached a contract for sale with the manufacturer or wholesaler. Upon notice from the Commissioner manufacturers and wholesale distributors shall not sell intoxicating liquor or non-intoxicating malt liquor to any "on-sale" or "off-

sale" licensee who refuses to sell or serve alcoholic beverages to any person because of race, color, nation origin, or who discriminates in the selection of its membership on the basis of race, color, or national origin.

~~(i)~~ (j)

~~(j)~~ (k) Container limitation. No manufacturer or wholesale distributor shall sell distilled spirits to retailers in containers holding more than 32 64 ounces nor less than 8 ounces, except wine may be sold in containers holding 1/20 gallon (6 2/5 oz.) to on and off sale licensees.

(1) Miniature containers shall be sold only to licensed common carriers for dining facilities, licensees who have approved dispensing devices and pharmacists having a permit to sell medicinal liquors on prescription for dispensing to patients in hospitals and nursing homes.

~~(k)~~ (l)

~~(l)~~ (m)

~~(m)~~ (n)

~~(n)~~ (o)

~~(o)~~ (p) ~~Out-state licensees reports and records. Out of state manufacturers and wholesale distributors who are holders of Minnesota Import Licenses as provided by Minn. St. Section 340.113 and ship into Minnesota distilled spirits and wine shall maintain records showing case or barrel serial numbers in reference to all such transactions.~~ Withdrawal of distilled spirits and wine from wholesalers by their employees and distillers or winers representative. No persons employed by importers, distillers, rectifiers, winers, Minnesota licensed manufacturers or wholesalers, shall withdraw distilled spirits or wine from the premises of manufacturers or wholesalers unless such requisition has been approved by the Commissioner on a form prescribed by him.

Liq 39 and 40 Reserved For Future Use.

Liq ~~21~~ 41

Liq ~~22~~ 42

(h) No applicant shall refuse to serve alcoholic beverages to any person because of race, color or national origin, and no applicant shall discriminate in the selection of its membership on the basis of race color or national origin.

Liq ~~22~~ 43 Limited Number To Be Granted. Retail liquor licenses shall be granted only in number and combination with other business prescribed in the statute as follows: (Clubs not limited in number)

(a) "On-Sale" retail liquor licenses:

	Population Last Federal Census	Maximum Number	Combination Business
First Class Cities	Over 100,000		
Minneapolis		200	Hotels, ~~Clubs~~
St. Paul		200	Restaurants or
Duluth		71	Exclusive Liquor
Second Class Cities	20,000 but not over 100,000	~~15~~ 18 (Plus 1 license for 2,500 pop. after 45,000)	Hotels, Clubs Restaurants or Exclusive Liquor
Third Class Cities and Villages	Over 10,000 but not over 20,000	~~10~~ 12	"
Fourth Class Cities and Borough	Under 10,000	~~5~~ 7	"
"	~~Under 5,000~~	5	~~Hotels, Clubs or Exclusive Liquors~~
Villages	5,000 to 10,000	~~5~~ 6	Hotels, Clubs, Restaurants or Exclusive Liquors
"	2,500 to 5,000	~~4~~ 5	"
"	500 to 2,500	~~3~~ 4	"
"	Under 500	~~2~~ 3	"

The above summary of the statute is subject to several acts which have local application, as noted in the text of the statute.

(b) "Off-Sale" retail liquor licenses:

First Class Cities	(1 for 5,000)			
Minneapolis		104	Drug Stores	$250--not
St. Paul		62	General Food,	including
Duluth		~~21~~ 20	Exclusive Liquor (Off)	occupational tax

(c) "On-Sale" retail liquor licenses:

Counties	Regardless of Rural Population Plus 1 additional license for each 2,000 population or major fraction thereof.	3 licenses	Restaurants seating a minimum of 100

(d) "Split Liquor" "On-Sale" Liquor licenses.

Municipalties operating retail liquor stores who have authorized by vote	Population Last Federal census	Maximum Number	Combination Business
"Split Liquor" Cities, Villages and Bouroughs	Over 10,000 Pop.	6	Hotels & Restaurants
	5,000 to 10,000 Pop.	4	"
	Under 5,000 Pop.	3	"

If the maximum number of "On-Sale" licenses are issued as above stated, then Municipal "Off-Sale" must be discontinued.

Liq ~~34~~ 44 Applications, "On-Sale." Applicants for "on-sale" retail liquor licenses shall file a written, verified application with all questions fully answered with the municipal clerk or county auditor. They shall also file a bond as required by statutes. Forms shall be furnished by themunicipal clerk or county auditor.

(b) The description shall be stated as numbered street address or the description of the lot, block, ~~and~~ addition, or township.

(c) If the description in (a) covers a building with more than one story or rooms which are used for business purposes other than those permitted to be in combination with the license as outlined in Liq ~~33~~ 43 of this chapter, then the description shall specify the floor and the space to which the license shall apply.

(d) No license shall be granted for any premises with inside acess to another business establishment unless the combination is permitted under liq ~~33~~ 43 of this chapter of the Liquor Control Act.

(e) The license bond shall be a sum of $3,000.00 to $5,000.00. As alternatives the applicant may post a deposit of cash, United States bonds, or liability insurance policy acceptable to the Commissioner in lieu of the corporate surety. However bond or alternatives shall apply uniformily to each retailer in each municipality or county.

Liq 25 45 Applications. "Off-sale" and certain "on-sale". All "off-sale", club"on-sale" and County on-sale retail liquor licensesissued in the state shall be submitted to the Commissioner for final approval. ~~"On-Sale" retail liquor licenses issued in accordance with the provisions of Minn. Stat. Section 340.11, Subd. 8, and Laws 1965, Chapters 409 and 410 shall also be submitted to the commissioner for approval.~~ Without the Commissioner's approval, said licenses shall not be effective.

(a) The Commissioner shall furnish application blanks, bonds and license forms for "off-sale" County on sale and club retail liquor licenses to the clerk or County Auditor of the respective municipalities or counties.

(b) The applicant for license shall prepare the application form and bond in duplicate and file them with the clerk, or County Auditor who shall read them to determine that all questions are answered completely and the forms are properly executed.

(d) After approval, the clerk shall forward to the Commissioner in St. Paul, Minnesota, the following items:

(1) One copy of the license certificate~~-~~ for"off-sale, club, or County "On-sale".

(2) Two ~~"off-sale"~~ application forms for "off-sale", club, or county on sale, fully executed by the applicant.

(3) Two ~~"off-sale"~~ bon forms for "off-sale", club, or county on sale, approved on the reverse side by a member of the governing body.

(5) One "on-sale" license form #100-A for Sunday Sales.

~~(5)~~ (6) A notarized copy of the minutes of the meeting held by the governing body establishing when the application was approved.

~~(6)~~ (7)

(f) After consideration and approval of the license, the Commissioner will retain one copy of the application and one copy of the bond in his files. The new license certificate with his endorsement of approval, one copy of the application and one copy of the bond will be returned to the clerk or Auditor. Such documents shall be retained by the issuing authority for a period of six years after the date of expiration of the license.

Liq ~~26~~ 46 Change of Location. The location of business of a retail liquor licensee may be changed subject to the approval of the municipal council and the Commissioner ~~in case of off sale licensee~~. Application for change in location shall be in writing, accompanied by a written statement from the bonding company consenting to the change in location.

Liq ~~27~~ 47

Liq ~~28~~ 48

Liq 49 Reserved for future use.

Liq ~~39~~ 50

Liq ~~40~~ 51 Identification Card Required. Retail dealers shall obtain a retal dealer's identification card from the Commissioner as provided in Liq ~~39~~ 35 (b) of Chapter ~~two~~ three. Such card shall be presented when purchasing intoxicating liquor from authorized sales representatives.

Liq ~~41~~ 52 Purchase from Licensed Manufacturers, Etc. All retail dealers shall purchase their stock of alcoholic beverages only from duly licensed Minnesota manufacturers, brewers and wholesale distributors. Retail dealers may purchase intoxicating liquors from other retail dealers only under the conditions stated in Liq ~~53~~ 64 of this Chapter.

Liq ~~42~~ 53

Liq. ~~43~~ 54 Stock Shall have Certification Labels Affixed. Retail dealers shall verify that their stock of distilled spirits, sparkling wines, or still wines shall have affixed to the cartons the designated certification labels, and that such labels shall be affixed in accordance with the number of containers in each case. ~~as provided in Liq 3 (b)~~

Liq ~~44~~ 55

Liq ~~45~~ 56 "On-sale" Dealers

(a) Containers--minimum quantities. No "on-sale" dealer shall purchase or possess distilled spirits in containers of less than one-fifth gallon. Containers of less than one-fifth of a gallon shall be subject to confiscation. provided, miniatures containing not more than two ounces may be purchased for dispensing devices, the use of which has been specifically approved by the Commissioner.

~~(b) Empty containers--destruction. Containers of distilled spirits when emptied in an on-sale establishment shall be destroyed to the extent that no further use can be made thereof.~~

~~(c)~~ (b) Liquor to be consumed on premises. "On-sale" licensees shall sell intoxicating liquor to lawful consumers by the drink for consumption on the premises only. For purposes of this regulation the sale of miniatures in approved dispensing devices shall be considered sale by the drink in guest rooms of hotels as defined in Minn. St. 340.07, Subd. 12.

~~(d)~~ (c) Display forbidden. No "on-sale" liquor establishment shall display any intoxicating liquor when open to the public during hours when the sale of such liquor is prohibited by law, except as provided by Minn. St. ~~340.14, Subd. 3.~~ 340.119.

~~(e)~~ (d)

~~(f)~~ (e)

~~(g)~~ (f) Containers must be visible to public. All Containers from which alcoholic beverages are sold or dispensed shall be clearly visible to the consuming public, except that malt beverages may be dispensed by tap from the keg when the keg itself is not in sight, and miniatures may be dispensed by approved mechanical devices, provided that the brand label appears on the tap handle or device. No container of intoxicating or malt liquor shall be dispensed from any mechanical or coin operated device, unless said device can be operated in full compliance with all provisions of state law and the regulations of the Commissioner and has been specifically approved for operation by the Commissioner. The Commissioner may impose such conditions as he deems necessary for any such approval and the failure to meet said conditions or the violation thereof shall terminate any approval.

Liq ~~46~~ 57

Liq ~~47~~ 58

Liq ~~48~~ 59

Liq ~~49~~ 60

Liq ~~50~~ 61

Liq ~~51~~ 62

Liq ~~52~~ 63

Liq ~~53~~ 64

Liq 65 Reserved For Future Use.

CHAPTER ~~SEVEN~~: EIGHT LIQ 60-67

Liq ~~60~~ 71

(a) Any alcoholic beverages not registered as provided by Minn. St. 240.62 and Chapter Eight hereof and not located on a Minn. licensed wholesalers premises shall be confiscated.

Liq ~~61~~ 72

Liq ~~62~~ 73 Registration.

(b) A duplicate set of front and back labels, and any other labels to be affixed to the containers. In the case of imported wines and distilled spirits, the name and address of the importer must be shown on the label.

(d) ~~One~~ Two labeled and sealed containers of malt beverages for analysis by the Commissioner.

(e) A complete signed chemical analysis of the product and a verified statement that the product to be sold under the label will correspond in all respects with the sample and analysis.

Liq ~~63~~ 74

Liq ~~64~~ 75 Abandonment. Any brand of alcoholic beverage for which Minnesota importation has been discontinued for two years or which has been abandoned shall not be imported in this state unless the brand label is re-registered in the manner provided in Liq ~~62~~ 73 In the case of fermented malt beverages, it is required that the brand label registrant submit a letter to this office each month indicating the brands of beer shipped into and/or sold in the State of Minnesota.

Liq ~~65~~ 76

Liq ~~66~~ 77

Liq ~~67~~ 78

Liq 79 Reserved for future use.

Liq ~~68~~ 80

Liq ~~69~~ 81

Liq ~~70~~ 82

Liq ~~71~~ 83 Manifest or Invoice. Minn. St. Section 340.485, Subd. 3 provides that importers of distilled spirits, wines, ethyl alcohol or sacramental wine shall prepare a manifest in quadruplicate on forms prescribed by the Commissioner for each shipment into Minnesota, and shall forward the manifest to the Commissioner at prior to the time of shipment.

Liq ~~72~~ 84 Transportation.

(a) All common carrier except railroads, their motor affiliates and public water transportation carriers, shall obtain a permit as provided in Liq ~~29~~ 35 (d), for each vehicle used to transport alcoholic beverages into Minnesota.

~~(b) Common carriers shall notify the Commissioner of the arrival of every shipment of distilled spirits and wine before delivery to the consignee. When shipment is pooled the carrier shall notify the Commissioner of the individual shipments comprised therein.~~

~~(c) Common carriers shall not release any shipment of distilled spirits or wine to the consignee except with the consent and under the direct supervision of the Commissioner's authorized agent.~~

~~(d)~~ (b)

~~(e) No common carrier or any employee thereof shall release sacramental wine or ethyl alcohol to any consignee unless authorized by an agent of the Commissioner or unless such consignee submits to the carrier a manifest signed by the Commissioner authorizing such release.~~

Liq ~~73~~ 85

Liq ~~74~~ 86

Liq 87 Reserved for future use.

CHAPTER ~~NINE~~ TEN: LIQ ~~75-87~~

Liq ~~75~~ 88 Distilled Spirits General Requirements. ~~Title-26,~~ Code Federal Regulations ~~(1954)-Part-182~~ for ethyl alcohol; ~~Part 220 for~~ distilled spirits; ~~Part-221-for~~ brandy; and ~~Part-235-for~~ rectification of distilled spirits, are hereby adopted as the regulations for standards of identity and labeling requirements for containers of distilled spirits sold within the state, insofar as such Federal regulations or amendments thereto are not contrary to or inconsistent with the provisions of Minn. St. Chapter 340 or this regulation of the Commissioner, including standards of fill.

Liq ~~76~~ 89

Liq ~~77~~ 90

Liq ~~78~~ 91

Liq ~~79~~ 92 Standards of Fill for Distilled Spirits

1/2 gallon	
1 quart	4/5 pint
4/5 quart	1/2 pint
1 pint	Miniatures containing not more than 2 ounces ~~(for common carriers only)~~

Tolerance in the herein described standards of fill may be allowed by the Commissioner for distilled spirits imported from foreign countries and for domestic cordials.

Liq ~~80~~ 93 Wine General Requirements. ~~Title-26,~~ Code Federal Regulations ~~(1954) Part-240~~ for wine is hereby adopted as the regulation for the standards of identity and labeling requirements for containers of wine sold within the state, insofar as Federal regulations or amendments thereto are not contrary to or inconsistent with the provisions of Minn. St. Chapter 340 or this regulation of the Commissioner, including standards of fill.

Liq ~~81~~ 94

Liq ~~82~~ 95

Liq ~~83~~ 96 Malt Beverages General Requirements. ~~Title-26,~~ Code Federal Regulations ~~(1954)-Part-245~~ for beer is hereby adopted as the regulation for the standards of identity and labeling requirements for containers of malt beverages sold within the

state, insofar as Federal regulations or amendments thereto are not contrary to or inconsistent with the provisions of Minn. St. Chapter 340 or this regulation of the Commissioner, including standards of fill .

Liq ~~84~~ 97

Liq ~~85~~ 98 Labeling Requirements and Alcoholic Content.

~~(a) When a brewer sells beer containing more than 3.2% of alcohol by weight and beer containing less than 3.2% of alcohol by weight under the same brand label, the bottle caps or crowns for the two products shall be imprinted with two different, readily distinguishable colors or designs.~~

~~(b)~~ (a)

~~(c)~~ (b)

~~(d)~~ (c)

~~(e)~~ (d)

Liq ~~86~~ 99

(b) Unsealed returnable cases of bottles need no external marking to identify alcoholic content, if opening without breaking furnishes direct view of bottle ~~caps or labels~~ which identify the alcoholic content pursuant to this regulation.

Liq ~~87~~ 100

Liq 101 Reserved for future use.

Liq 88 102 Permit Applications. Applicants for permits under Minn. St. ~~340.14, Subd. 3,~~ 340.119, shall submit their applications on forms to be supplied by the Commissioner. ~~The Commissioner requires that said applications be approved or denied by authorities of the municipality involved before they will be considered. The time for the approval or denial by local authorities shall not exceed forty five (45) days.~~ Applications shall be submitted to the Commissioner, together with tender of the $100 fee in the form of a money order, bank draft, or certified check payable to the Liquor Control Commissioner, State of Minnesota.

Liq 89 103 Disqualifications

(a) Federal tax stamps. No permit will be issued to holders of Federal Retail Liquor Dealer's Special Tax Stamps, as provided for in Minn. St. 340.119, Subd. 6, other than a duly licensed liquor retailer which is a business establishment as provided for in Minn. St. St. 340.119, Subd. 7. Answers to questions on the Commissioner's application form relating to such stamps will be compared with records in the Commissioner's office supplied by the Federal Internal Revenue Department.

(b) It shall be unlawful to consume or display, or allow consumption or display of intoxicating liquor on any premises of a ~~private~~ bottle club or ~~public place~~ business establishment between the hours of 1:00 A.M. and 8:00 A.M.

Liq 90 104 Regulation of Establishments Granted Permits

(a) ~~Private~~ Bottle club. In clubs that qualify for a permit, bottles of intoxicating liquor may be left at the club bar by members for serving only to the owner-member and his bona fide guests, but said bottle or bottles shall not be stored at the bar in the owner's absence. Before the owner leaves the premises he shall remove his own bottle or bottles from the bar and place them in his individual locker, or take them from the premises.

(b) ~~Public places~~ Business Establishments. In any public place granted a permit, no bottle of intoxicating liquor shall be given to the bar attendant or any employee for serving to the owner of the bottle. All bottles in such ~~public places~~ business establishment shall be kept in plain sight by the owner and shall be in his possession

and under his control at all times.

(c) No intoxicating liquor may be stored on the premises of any ~~public place~~ business establishment holding a permit under this section. The purchase of intoxicating liquor by a licensee, manager or employee of a ~~private~~ bottle club or ~~public place~~ business establishment acting as agent for the member or patron is prohibited

(e) The transfer of permits issued in accordance with Minn. St. ~~340.14~~ 340.119, ~~Subd. 3,~~ is prohibited unless such transfer is approved by the Commissioner. Any change in the location, ownership, or corporation will constitute a transfer for purposes of this chapter.

Liq ~~91~~ 105

Liq 106 Reserved for future use.

CHAPTER ELEVEN LIQ [redacted]-102 IS REPEALED.

(MINIMUM CONSUMER RESALE PRICES DISTILLED SPIRITS AND WINE)

PHARMACISTS ~~OR-DRUGGISTS~~

Liq ~~103~~ 107 Permit Required. Minn. St. Section 340.18 provides that pharmacists ~~or-druggists~~ may apply to the Commissioner for a permit to sell medicinal liquors and ethyl alcohol on bona fide prescriptions by a physician, dentist, or veterinarian. Such permits shall be obtained from the Commissioner for a fee of $5.00 and shall expire one year from the date of issuance.

(b) Alcoholic liquors containing more than 3.2 per cent of alcohol by weight in the possession of any pharmacists ~~or-druggist~~ who do not have the required permits issued by the Commissioner, shall be subject to confiscation.

Liq ~~104~~ 108 Purchase Requirements

(a) Pharmacists ~~or-druggists~~ may obtain a permit from the Commissioner as provided in Liq ~~29 (i)~~ 35 (h) of Chapter ~~Two~~ Three for the purchase of ethyl alcohol for the compounding of medicines.

(b) Pharmacists ~~or-druggists~~ having a permit to sell medicinal liquors on prescription shall obtain from the Commissioner a Pharmacist's Identification Card as provided in Liq ~~29~~ 35 (b) of Chapter ~~Two~~ Three. Such cards shall be presented when purchasing medicinal liquors from authorized sales representatives.

(c) Pharmacists ~~or-druggists~~ shall purchase medicinal liquor and ethyl alcohol only from duly licensed Minnesota manufacturers and wholesale distributors, and all such products shall remain in the original containers.

(e) Manufacturers and wholesale distributors selling medicinal liquors to pharmacists ~~or-druggists~~ who hold a permit to sell such liquor on prescription shall mail a copy of the invoice of each sale to the Commissioner by the tenth of the following month.

Liq ~~105~~ 109 Prescriptions. No licensed pharmacist ~~or-druggist~~ shall fill any prescription for more than one container of medicinal liquor or ethyl alcohol, and such medicinal liquors shall conform as nearly as possible with the standards and requirements of the United States Pharmacopeia.

(a) Pharmacists ~~or druggists~~ filling prescriptions for medicinal liquor or ethyl alcohol shall affix the prescription label on each container stating the prescription number, the date, the patient's and the doctor's name, and the direction for use. The corresponding prescription number shall be placed on the original prescription.

Liq ~~106~~ 110 Records. Pharmacists ~~or druggists~~ licensed to sell medicinal liquor and alcohol, and alcohol for compounding of medicines, shall maintain a complete record of all purchases made and prescriptions filled, ~~for each month and shall make a report in duplicate on forms prescribed and furnished by the Commissioner. One notarized copy of said report, together with the original prescriptions, shall be submitted to the Commissioner before the 10th of the following month, and the second copy of the report shall be retained by the permittee. This section shall not apply if the amount of ethy alcohol used for compounding purposes is less than one gallon per month. See Chapter Thirteen, Liq 119.~~ for inspection by the Commissioner.

Liq ~~107~~ 111 Stocks—Irregularities. Irregularities in stocks of medicinal liquor and ethyl alcohol of pharmacists ~~or druggists~~ shall subject the permit to revocation and any undeclared stocks of liquor shall be confiscated by the Commissioner or his authorized agents.

(a) The concealment by any pharmacists ~~or druggists,~~ or employee of any medicinal liquor, ethyl alcohol, or records thereof, or the refusal to assist authorized agents of the Commissioner in the course of inspection of the permittee's shall be valid grounds for the revocation of the permit.

Liq ~~108~~ 112 Storage and Display. Pharmacists ~~or druggists~~ shall keep stocks of medicinal liquors in the prescription room or other places of storage in connection with the designated premises. Such liquors shall not be displayed in any showcase of the store proper or its windows.

Liq ~~109~~ 113 Selling or Liquidating Business. Any pharmacist ~~or druggist~~ who shall sell or liquidate his business, or discontinue the permit, shall submit to the Commissioner a notarized inventory of the stock of medicinal liquors and alcohol on hand, giving the brand names, the size and number of containers, the name of the

purchaser or other disposition, together with the permit and the Pharmacist's Identification Card. In the event of sale or transfer, the transferor and the transferee shall sign said inventory.

Liq 114 Reserved For Future Use.

CHAPTER THIRTEEN: LIQ ~~110-119~~

Liq ~~110~~ 115 Importation for Resale. Minn. St. Section 340.113 provides that ethyl alcohol for industrial and non-industrial purposes, as hereinafter defined, may be imported into the state by duly licensed Minnesota manufacturers or wholesale distributors for resale to persons holding permits issued by the Commissioner to purchase such ethyl alcohol, or by persons holding permits issued by the Commissioner authorizing the importation of ethyl alcohol as provided in Chapter ~~Two~~ Three.

Liq ~~111~~ 116 Importation Limited. The shipping of ethyl alcohol into the state shall be limited to distillers and wholesale distributors holding import licenses issued by the Commissioner, and such persons in accepting orders for such products shall conform with liq ~~118~~ 122 of this chapter

Liq ~~112~~ 117 Importer's Report. Distillers and wholesale distributors in other states and Minnesota manufacturers, wholesale distributors, and common carriers shall report each shipment of ethyl alcohol to the Commissioner as provided by Liq ~~117~~ 121 and Liq ~~118~~ 122 of this chapter. ~~and Chapter Eighty relating to manifests and the release of distilled spirits by common carriers.~~

~~Liq 113 Importers Other Than Manufacturers and Distributors.--The importation into the state of ethyl alcohol by authorized persons other than Minnesota manufacturers or wholesale distributors shall be limited to containers consisting of thirty gallons or more, provided that this prescribed quantity shall not apply to premises that are also holders of Federal tax free permits for the purchase of ethyl alcohol.~~

~~(a) Ethyl alcohol in quantities of less than thirty gallons shall be purchased only from Minnesota manufacturers and wholesale distributors.~~

Liq ~~114~~ 118

Liq ~~115~~ 119

Liq ~~116~~ 120

Liq ~~117~~ 121

Liq ~~118~~ 122

Liq ~~119~~ 123

Liq 124 Reserved for future use.

CHAPTER FOURTEEN: LIQ 120-121 IS REPEALED.

(HEARINGS AND PENALTIES)

APPROVED AS TO FORM AND LEGALITY
March 29 19 74
WARREN SPANNAUS, ATTORNEY GENERAL
BY Michael B Miller
SPECIAL ASSISTANT ATTORNEY GENERAL

3:30 P.M.
STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
MAR 2 91974
Arlen I. Erdahl
Secretary of State

FILED
RICHARD L. BRUBACHER
Commissioner, Administration
MAR 29 1974 3:50 P.M.
BY Eda Staudenmaier
AUTH. SIGNATURE

CARBON COPY

LIQUOR CONTROL COMMISSION HEARING

of

January 14, 1974

Reported by Rudy Lundblad

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This matter came on in regular order for public hearing commencing at the hour of 9:00 o'clock a.m. on the 14th day of January, 1974, at Room D of the Veteran's Service Building, St. Paul, Minnesota, before the following-named persons:

Joseph V. Novak, Liquor Control Commissioner, who acted as hearings officer.

John A. Muer, Assistant Commissioner of Liquor Control.

Michael R. Gallagher, Esq., Special Assistant Attorney General of the State of Minnesota.

PROCEEDINGS

MR. NOVAK: All right. Gentlemen, we will start the proceedings for the hearing this morning. And, the procedure that we will follow is that I am Joseph Novak the Liquor Control Commissioner for the State of Minnesota. This hearing is hereby convened to consider the proposed adoption of rules relating to intoxicating liquors amending Liquor Regulations Chapter 1 through 14.

I shall at this time enter the following documents as exhibits:

Exhibit 1 is my order directing that this public hearing be held on January 14, 1974, at the Veteran's Service

Building, St. Paul, Minnesota, to consider the proposed adoption of rules relating to intoxicating liquors.

Exhibit 2 is a notice of the time, place and purpose of this hearing.

Exhibit 3 is a copy of the proposed rules.

Exhibit 4 is the affidavit of Clarice Ehrler an employee of the Liquor Control Department that she obtained from the Secretary of State the list of those who have registered with the Secretary of State to receive a notice of these hearings.

Exhibit Number 5 is the certificate of the Secretary of State Arlen Erdahl as to the list of those who have registered with the Secretary of State to receive a notice of these hearings.

Exhibit Number 6 is the affidavit of Clarice Ehrler that notice of this hearing were duly mailed to all interested persons as listed by the Secretary of State.

Now, the purpose of this hearing is to allow interested parties to present their views and present facts bearing upon the proposed rule changes. So that we may have an orderly presentation of evidence the following procedures will be in effect during this hearing. Anyone wishing to be heard should so indicate by addressing myself in some manner of raising your hand or standing and then you will be duly recognized by me. The first time that you will

speak or make a statement you shall spell your name completely and identify the group or groups that you may be representing. He may be sworn upon his request, but it is not required. Each speaker will be allowed a time limit, but I will refrain from making that time limit at the present time based upon the number of speakers and the desire of the speakers as we move along into this testimony.

It is requested that those present refrain from any applauding or unnecessary speaking. And after each speaker has concluded his statement I may or may not ask any questions that I may have concerning his position.

All persons or parties interested in introducing any written matter may do so by having it marked as an exhibit and then introduced for the record. Twenty days will be allowed following this hearing in which interested parties may submit briefs or other written material relative to the proposed rule changes.

May I say further that as the hearing progresses I want for the sake of a court record any questions that may be asked I would like to have you come to the podium here and ask the questions rather then have them ask from the audience itself so that the court reporter may have an accurate record of what you may have said. This way I think we can keep some semblance of order in this hearing rather then have people jumping up any time they feel like they

may have a question. I want you to feel though that you have a right to present any material or any questions that you like, but let's do it in a sort of a manner in which a due record can be kept of it.

We are considering now whether to adopt the proposed amendments to the regulations Chapter 1 through 14.

Now I will have the Assistant Commissioner John Muer begin with Chapter 1 and continue on through. And at the end of each particular chapter we will then go to the audience and ask if there are any questions or statements to be made about any particular chapter rather then go through all of the chapters and then follow back. I think this way we will have a little continuity and a little more of a reason for asking questions.

John.

MR. MUER: Yes.

In the matter of the Proposed Adoption of Regulations of the State Liquor Control Commissioner Amending and Repealing Provisions of Liquor Regulations Chapters 1 through 14 except Chapter 6 (Advertising) as amended, relating to, Taxes; Licenses and Permits; Duties and Restrictions upon Manufacturers, Wholesalers and Importers; Issuance of Retail Licenses, Responsibility of Retailers; Brand Label Registrations; Importation and Transportation; Identification, Labeling and Standards of Fill; Bottle Clubs;

Minimum Consumer Resale Prices; Pharmacists, Druggists and Ethyl Alcohol; Ethyl Alcohol and Non-Beverage Use; Hearings and Penalties.

The above-captioned proposed regulations are amendments to existing regulations of the Minnesota Liquor Control Department.

The need to consider whether any portion of the proposed regulations should be adopted arises due to the following:

Proposed Chapter 1 - Definitions of certain terms should be deleted because such terms are already defined by Statute.

Proposed Chapter 2 - Provisions should be amended to bring them into conformity with statutory changes in the amount of tax levied on distilled spirits, wines and malt beverages as provided by Minnesota Statutes 1973, Chapter 664. In addition, the provision in Chapter 2 regarding confidential information should be deleted in view of the public records statute. Minnesota Statute 15.17 (1971).

Proposed Chapter 3 - Provisions should be amended to bring them into conformity with statutory changes relating to license fees as provided by Minnesota Statutes Sections 340.11, 340.113, 240.402 and 340.493 (1971).

Proposed Chapter 4 - Provisions should be amended to augment Minnesota Statutes 1973, Chapter 664 amending

Minnesota Statutes Chapter 340 (1971), relating to joint purchases, wholesalers, price filings and standards of fill.

Proposed Chapter 5 - Provisions should be amended to reflect statutory changes relating to the number of retail licenses issued by municipalities as provided by Minnesota Statute Sections 340.07 and 340.11 (1971).

Proposed Chapter 6 - Provisions should be amended to augment Minnesota Statutes 1973, Chapter 664, amending Minnesota Statute Section 340.07, Subdivision 5, which impliedly authorizes miniatures sold in dispensing devices.

Proposed Chapter 8 - Provisions should be amended to improve the administration of the administration of brand labels of alcoholic beverages by imposing certain sanctions for non-registration of such beverages and requiring certain information on labels.

Proposed Chapter 9 - Certain provisions should be repealed which relate to the release and importation of alcoholic beverages as a result of the transfer of responsibility of the collection of excise taxes to the Department of Taxation.

Proposed Chapter 10 - Provisions should be amended to modify references to certain parts of the Code of Federal Regulations to correspond to recent changes in said Federal Code dealing with standards of identity, labeling requirements and standards of fill.

Proposed Chapter 11 - Provisions should be amended to correspond to statutory changes relating to consumption and display permits.

Former Chapter 11 dealing with minimum consumer resale prices should be repealed since Minnesota Laws 1973, Chapter 664, Section 10 repeals Minnesota Statute Sections 340.97 through 340.987, Fair Trade so-called, (1971).

Proposed Chapter 12 - Provisions should be amended for purposes of re-numbering.

Proposed Chapter 13 - Provisions should be amended to facilitate the importation of ethyl alcohol and to coincide with amendments in proposed Chapter 3 of these regulations.

Chapter 14 should be repealed since procedures for hearings are covered under Minnesota Statute Chapter 15 (1971).

This completes our statment of need and, as the Commissioner suggested, we will go and take each proposed chapter individually. And, I think this brings us to Chapter 1.

MR. NOVAK: Off the record.

(Discussion off the record.)

MR. NOVAK: Back on the record.

MR. MUER: We will be dealing with Chapter 1. We will give a brief resumé as to what has transpired. And if

anybody wants to talk subsequent to the discussion of this on Chapter 1 do so when I am completely through.

Under (a) on Page 1 we deleted the definition of advertising. The reason this was done was because it is already defined in the statutes and it seems redundant to do so by regulation.

The same is true for brewer, clubs, commissioner, et cetera.

On the next page the same thing is true for excise taxes, exclusive liquor store, hotel and importer, intoxicating liquor. However, under importer we crossed this out because it was -- it is defined in the statute, however there is a slight difference in definition of our regulations and it was to be rewritten in another portion of a different regulation. However, for one reason or another this has been in litigation and we didn't propose that definition of importer under those other regulations, consequently we anticipate to reinstate importer as is.

Manufacturer, medicinal, municipality, non-intoxicating malt liquor, "on sale" and "off sale" person, restaurant, sacramental wine, sale and sell, wine wholesale and "miner" are all in the statutes already, so they have been deleted for that purpose.

Are there any questions with reference to Chapter -- Proposed Chapter 1?

MR. NOVAK: Does anyone have any question or statement to make with regard to any changes that may have been made or deletions that may have been made in Chapter 1?

There may be some misunderstanding. If there is not an understanding of a particular point and you want it clarified be free to do so. If not, we will continue then with Chapter Two.

Would you come up here, state your name, please, spell it?

CHUM BOHR: My name is Chum Bohr, C-h-u-m B-o-h-r, Minnesota Hotel, Resort and Restaurant Association.

I just want one clarification of a question on Page 5. "Half gallons", is that liquor or is that wine?

MR. NOVAK: Where are you speaking of?

CHUM BOHR: I am talking at the bottom of Page 5.

MR. NOVAK: At the bottom of Page 5. Is this all Chapter 1 we are continuing with?

CHUM BOHR: No, I believe it is Chapter 2.

MR. NOVAK: Well, we are going to continue with Chapter 2.

CHUM BOHR: Well, I believe that is Chapter 2.

MR. NOVAK: Have we gone into Chapter 2?

CHUM BOHR: Oh, I thought you did.

MR. NOVAK: No, we are going to go into Chapter 2 now. At the end of Chapter 2 --

CHUM BOHR: I am sorry. Thank you.

MR. NOVAK: All right.

We will continue now with Chapter 2.

MR. MUER: Proposed Chapter 2 in essence changes our regulations to correspond to new statutes adopted which change the tax structure for distilled spirits, wines and malt beverages in Minnesota. In addition to that it establishes as a standard of fill and a tax package of half gallons of distilled spirits. In addition to that it eliminates liquor regulation number 16 which had provided that certain information be confidential. And, as I explained in our need, the necessity for this is that it must be covered by statute in Chapter 15 in the statutes already provide for certain confidential things and it appears that this regulation was improper under -- as a result of Chapter 15, and, that is basically it.

Are there any other questions or --

MR. NOVAK: Now we will take the questions on Chapter 2.

Would you please come foreward and state your full name and who you represent for the record please?

CHUM BOHR: Chum Bohr.

The question that I had on Page 5 is just for clarification. It says "excise $4.39 per wine gallon" and then right underneath it it says "half gallons". Does that

apply to wine or does that apply to hard liquor in the term used?

MR. MUER: Hard liquor, distilled spirits.

CHUM BOHR: Okay. Thank you.

MR. NOVAK: Does anyone else wish to speak? Would you come to the -- state your name.

JOHN HEDBACK: My name is John Hedback, H-e-d-b-a-c-k, I represent the Minnesota Liquor Stores Association.

I wonder if there is a typo on Page 4 here where it strikes "sparkling wines" and enters $3.08 per gallon. Shouldn't it have been -- shouldn't there have struck distilled spirits?

MR. MUER: That was an error on our part, a transposition error. It should be sparkling wines stricken as stated, 250 stricken, but it should be in lieu of $3.08 it should be $4.39 --

JOHN HEDBACK: All right.

MR. MUER: And we have inserted that in our file, and I neglected to state this when I read the Proposed Chapter 2. I will say to you at this time to insert $4.39.

Thank you for bringing it to our attention.

JOHN HEDBACK: The second question, I await the Commissioner's pleasure on discussing in the list here under distilled spirits half gallons, it is also taken up in

another section in which it is allowed to distribute half gallons and I wanted to ask the Commissioner when he wished that discussed?

MR. MUER: Yes, I would think that since it is mentioned in several chapters of the Proposed Regulations that it would be desirable as it first comes up now to discuss half gallons if that is what you desire at this time to do it now.

JOHN HEDBACK: At the Commissioner's pleasure.

MR. NOVAK: It is my pleasure that we begin the discussion or the pros and cons as far as authorizing a new standard of fill which will be half gallons.

JOHN HEDBACK: Thank you, Commissioner, gentlemen.

I am trying to find my -- I didn't get to my office, I seemed to have left my statement, so I am going to have to speak extemporaneously, but I will furnish this statement to you later on.

Gentlemen, this proposal for half gallons does not seem to be very significant until it is analyzed.

My association has instructed me to oppose the allowing of half gallons for the reason that it would merely increase the inventory that my stores would have to carry and it would create an additional burden on my people.

You walk into a store and today you have four to five different sized containers on between six hundred and

nine hundred different brands. To increase this by another brand would mean more shelf space, more inventory space, and additional capital investment. We wonder when we walk into a store -- and you will remember the old story about the man who went into the grocery store and there were stacks and stacks of salt around. And he said you must sell an awful lot of salt. And the storekeeper said, no, he says, my -- the man who sells me salt sells a lot of salt.

And, this problem is the same as is facing our people. As soon as we would have half gallons we would have to increase our inventory tremendously. And this would mean not as the ordinary merchant who stocks inventory sometimes on consignment, sometimes outright purchase, but when you stock liquor you in addition have to pay those taxes. And two thirds of your capital and inventory is wrapped up in taxes.

Now with an increase of a larger size, half gallons, why, the retailer is placed in a position of going out and paying to the banks that money. Where is he going to get that money back? He has to get it from the retailer.

Many retailers sell two-quart deals at discount, so if the consumer is going to benefit he can benefit in this way. But ultimately the small consumer who currently buys -- does not buy in case lots or half gallons in other states is the one who is going to pay for the additional

advantage of the well healed person being able to buy a half gallon.

And, we would like to know who would benefit by this half gallon measure. We are convinced that it isn't the consumer, particularly the ordinary temperate man on the street who buys a bottle occasionally. We are pretty assured, though they haven't -- we haven't gotten the information, that the wholesaler isn't interested. So, the only person that I can imagine who might benefit from this addtional half gallon is the salt seller.

If you have any questions I would be glad to answer them. Thank you, Gentlemen.

MR. NOVAK: I might ask just in a minute, John; I would rather have any other discussion pertaining to this and then I think I will have some questions to ask after everyone has presented their point of view rather then have repetition.

Does anyone else want to be heard?

He came first, John. State your full name for the record and who you represent.

HARRY DROSOS: My name is Harry Drosos, D-r-o-s-o-s, I am from Rochester; I am the operator of Hillcrest Liquor Store in that city.

The Commissioner's office has already received a letter from Ray P. Traynor, executive secretary of the

Minnesota Licensed Liquor Retailers, commenting upon one specific provision in the proposed new Minnesota regulations.

I'm here today as president of that organization to reaffirm Mr. Traynor's statement and to make the same comments as an individual retailer.

Since the proposed revisions in the Minnesota regulations were drafted our organization has studied them carefully and we are satisfied that they represent orderly changes to bring them up-to-date and in line with legislative direction.

There is just one item in the proposed revisions which we hope the Commissioner will eliminate. While there is no reference to half gallon containers of distilled spirits in that part of the proposed regulations which covers Standards of Fill, there is a reference to the half gallon in the section covering applicable excise taxes, and we have therefore concluded that the half gallon is being suggested and may be authorized.

I am here to ask you not to take that step. We all know that the half gallon of spirits is legal in a number of states and would not be a revolutionary innovation. But we do believe that its introduction at this time into Minnesota would place a genuine burden on most of the retailers, especially on the off-sale level without a resulting benefit to the public of sufficient

significance to warrant it. Everyone who knows our business knows that we have a phenomenal growth in wine sales in the past few years, and that trend is continuing. We are certainly not complaining about that development, but this new volume in wines has brought along some sizable new demands on retailers, both private licensees and municipal.

There are so many types of wines and so many brands and vintages and so many sizes that any retailer who has kept up with the market has kept right on adding to his stock. Most of us have not only doubled our wine merchandise, but have tripled and quadrupled it, and the squeeze on both space and investment in most stores has been hard to meet.

During the same recent period so-called light whiskeys have come into the market. While they haven't zoomed like wines, they have been promoted and accepted sufficiently so that they represent one more new category of merchandise for which we've had to find room and inventory dollars.

Today you can go into virtually any typical retail store which has tried to hold its business and which doesn't have supermarket facilities and you will find it jammed with more stock and more items than at any time in the past.

In the face of this situation we must now offer the principal brands of whiskey and other spirits in half

gallon sizes, and it will be a must if we are to compete. Then I honestly don't know where we will put them and I don't know where many stores will get the substantial added money to stock them.

Frankly we don't need half gallon sizes to meet the public's needs or to stimulate competition among ourselves. The latter is obviously as intense right now as in any retail business; liquor has literally become a discount business. The assertion that half gallons might save the public some money by becoming a large-size bargin bottle is not realistic. The difference between wholesale cost of a half gallon and to single-quart bottles has been demonstrated to be a very small one, reflecting the very small difference in the cost of the containers themselves. The saving to the consumer on volume purchased or buying more than one quart at a time is already being widely offered throughout Minnesota by multiple-bottle retail pricing. Just about every store is offering special prices on purchases of two or three or four bottles at one time and the public is already getting minimum prices on purchases of an aggregate half gallon or more through this merchandising practice.

With specific reference to on-sale retailers, it is obvious that it would be of some efficiency for some of them to be able to dispense at the bar from half-gallon

containers, especially where automatic dispensers are to be used. But, from the viewpoint of public advantage, it is not feasible to assume that the convenience of the larger bottle to the vendor would permit or induce a reduction in price-per-drink to the consumer.

Finally, as Ray Traynor mentioned in his letter to the Commissioner, the entire liquor industry is now involved in the preliminary phases of the conversion of our system of measures to the international metric system. It will not be very long before we must convert quarts and fifths, pints and half pints into liter-sized containers. Anticipating that massive job the industry has recommended to the Federal agencies a table of new metric or liter standards of fill which does not include a two-liter, or half gallon, size. If those recommendations are adopted -- and we think they will be -- then any half gallon authorized in Minnesota will be relatively temporary at best.

To summarize, our organization asks you to consider the obvious problem which the authorization of half gallons would impose on our members right on the heels of the problems we are still trying to solve in the areas of wine and light-whiskey marketing.

We do not want to deny to the public any chance to benefit from any proposed changes; we know we would benefit ourselves if there were a better way for our customers

to buy spirits, but we certainly feel that the benefit to them in this case would be negligible. In quite a few instances I believe the added costs to retailers might necessitate increased prices rather than lower ones.

The half gallon won't, in our judgement, benefit the public. It won't benefit the licensees. And it won't benefit the State tax-wise or otherwise.

Thanks for the chance to be heard.

CHUM BOHR: Commissioner, members of the committee, my name is Chum Bohr from the Hotel, Resort and Restaurant Association.

I would like to state that at first I have no objections to the off-sale stand insofar as their inventory controls are concerned. I would like to point out, however, that insofar as the on-sale liquor dealers are concerned there is more and more of a transmittal of going to the liquor dispensing units. Now, the liquor dispensing unit themselves are very, very accurate, they also have some added savings that they come through cost reductions in labor costs from a standpoint that the units themselves can dispense at a rate of almost two to one of a hand-poured drink. The storage facilities could be reduced by the use of half gallons, the number of units that would have to be purchased would be reduced by the use of half gallons and cut that kind of cost in half and pass on good savings to

the public. That would be my only concern on it.

I am not adverse; I believe the Commissioner through his ruling and his power as a commissioner can state the specific uses of which half gallons can be utilized. Is that true, Commissioner?

MR. NOVAK: Yes.

CHUM BOHR: And, so, therefore, I don't think we would be in conflict with the off-sale dealers insofar as their inventory controls, but for the benefit of the customer and for the benefit of the establishments and in keeping the price per drink down I think that can be a benefit to the public and certainly be of benefit in reducing the costs.

Thank you.

J. W. CURRAN: My name is J. W. Curran, C-u-r-r-a-n, Executive Director of the On Sale Liquor Dealers of Minneapolis and Hennepin County.

Our officers and directors of our association are on record for half gallon containers only as a matter of in the dispensing units. We do not want to pose our use of these things on -- at a disadvantage to the off-sale. This is the first time in nineteen years I have ever had a disagreement with these people or with Mr. Traynor or his predecessors, so we do not want any hard feelings. But, as Mr. Bohr said prior to me that you could stipulate, I am

sure, Mr. Novak, having the containers used only in the dispensing units and not in the off sale stores.

I would like at this time to ask Mr. Ghostley, one of our directors and owner of the President Cafe to talk.

Thank you, Sir.

MR. NOVAK: Thank you.

VYRNE GHOSTLEY: Vyrne Ghostley.

There is very little I can add to what Mr. Curran and the other gentleman has said except this. There is a material saving for the on sale dealer, and in a competitive business this is a method of passing that saving on to the consumer. And, I think it would be well worth your consideration to consider that possibility.

There is one other point that I think should be made too. We are in an era where we have large shortages in both glass and paper; there is no question that the use of half gallon containers would cut down the use of those two items.

And, really I don't think I have anything more to say.

MR. NOVAK: Thank you.

Does anyone else wish to be heard? Yes, sir.

DAVID LASKY: My name is David Lasky, L-a-s-k-y. I am the owner of a real estate company, the owner of an

advertising agency and the owner of a liquor store.

I am here just representing myself and, I think, the views of many people in the liquor business, off sale, because this is something that I have discussed with many of them. We are concerned about the consideration of half gallons as another item to be introduced into the liquor stores.

I think that there are a number of considerations that should be taken into account on this particular item. First of all, what does the retailer accomplish? He would have the additional problem, expense and method of handling an additional item in the store. Two, the wholesaler would have the additional expense of another item in the store in his warehouse. So, I think the problem in terms of handling the item of half gallons is going to be an additional burden and an addtional expense.

We have in Minneapolis one of the largest stores with a very big warehouse, and as the wine industry grows and the multiplicity of items grows even our large warehouse becomes a problem in the introduction of half gallons would add to the burden.

Now, what about the consumer? Most stores, or a good share of them, have multiple purchase plans whereby somebody buying two gallons -- two quarts and two of an item, three, four and six and so on get a savings. So, I

think the introduction of half gallons would not in terms of giving the consumer a benefit -- would not produce any results.

I think there is probably one consideration that even is more important than all of these. I think the Liquor Control Commissioner and his staff has a responsibility for temperance. In the liquor business we are interested, of course, in selling product; we are also concerned about what about the public? We are not interested in seeing people drink excessively. Now, what happens very often -- and I am in the store and I see this occur day after day -- a person will buy a pint or a fifth or a quart and that is what they will drink. If you have half gallons available to them I think many people will start to buy half gallons and drink that half gallon over a period of time. I think the net result as far as the consumer is concerned will be two things; one, not a saving; two, I think you will increase the consumption of liquor in many areas where it is not desirable.

So, for that reason I as an individual and those people I have discussed this with are opposed to the introduction of half gallons into the off sale liquor stores.

Thank you.

MR. NOVAK: Anyone else?

JOHN HEDBACK: Mr. Commissioner.

MR. NOVAK: Yes.

JOHN HEDBACK: John Hedback again.

I am wondering if there is a possibility for a compromise in this, Mr. Commissioner. I see that in the adoption of your new regulations you are considering the dispensing of miniatures through mechanical devises; my people have no position on that. However, if the only voice for the half gallon is from those who wish to dispense it mechanically why not put the same restrictions on the sale of half gallons that you do on the miniatures and therefore allow the on sale people to have the benefit of the half gallon just as the people who are going to dispense miniatures have the advantage of the miniature only if that half gallon is used through the dispensing of liquor in a mechanical devise?

I am proposing this as perhaps a change, and I don't know whether the on sale liquor people would be amenable to this.

MR. NOVAK: Anyone else?

For the record, then, Mr. Byers would like to speak.

GEORGE BYERS: Mr. Commissioner, my name is George Byers, I am Counsel for the Minnesota Wine and Spirits Institute.

MR. NOVAK: Spell it would you please?

GEORGE BYERS: B-y-e-r-s.

It's a trade association of Minnesota Licensed Liquor Wholesalers.

I would simply like to call to the attention of the Commissioner that the Distilled Spirits Institute, which is a trade association of distillers throughout the United States, have recently unanimously adopted a resolution concerning the standard of fill to be proposed to the United States Tobacco and Alcohol -- tobacco branch of the Federal Government. And that is the uniform adoption of the metric system; this is going to be world wide in its application and not only effecting this industry, but all other industries selling products of every kind and description throughout the world.

I had the privilege to attend a conference out of state recently, it was the conference of the Discus Organization, the Distilled Spirits Council of the United States. And, it was informally discussed at that meeting and the distillers were all represented and it was unanimously agreed to present the new metric system to the Government for hearings. That proposal in the process of being made and will be forewarded to the alcohol and tobacco tax people for their consideration.

The largest standard of fill as part of the metric system is going to be the one liter size which I believe is

an ounce and a half larger then our present quart. I think the Commissioner ought to consider this aspect of standards of fill very seriously in that it is certainly felt by people in the industry that the one-liter size will be the largest container size authorized. And if that is going to be a reality within the next year or eighteen months certainly adoption of a Standard of Fill in Minnesota of the half gallon for that short period of time, in my opinion, would have a disastrous effect not only on the wholesaling system in Minnesota because of their increased inventories, but would put the retailers at a tremendous cost and expense to go through this period when within the next eighteen months or thereafter the new Standard of Fill is going to be the one-liter size.

MR. NOVAK: Anyone else?

LEO MARKS: My name is Leo Marks, I am with Distillers Distributing.

MR. NOVAK: Would you spell your name?

LEO MARKS: M-a-r-k-s.

And, I am really not to speak for or against because, as you know, I am a middleman and I can't afford to take either side. But there is a point of information in addition to the metric system that I think you should be aware of.

Very very recently I had the occasion in Chicago

to hear the president of a distillery who would be known as a salt seller say that you who don't have half gallon jugs should thank God because of the confusion and the lack of profit et cetera. And, he talked about the problem of the cost of half gallon bottles being, I think he said, a dollar and eight cents a case higher than the cost of quart bottles. And, much to my suprise within a couple of weeks one of my wineries raised their prices and they were all in proportion until we got to the half gallon size and they raised it a dollar ninety which was double the increase over the quarts and so forth. And, in questioning them it turned out the increased cost was due to the increased cost in glass.

Now, one man said something about less inventory. Well, three gallons in a half gallon case is the same as three gallons in a quart case and takes up the same space.

I am just pointing out that I have a feeling that in the near future the distilleries are going to raise their half gallon prices commensurate with their glass costs and it won't be really such a saving thereafter. And, if the intent of this law is to get prices cheaper for the consumer -- and don't misunderstand me, this is not a nasty statement -- in adjoining states the taxes per wine gallon are as much as $2.39 lower than ours. The few pennies you will decrease the cost to the consumer can never be the difference

in the taxes that the consumer pays. And, as many of the retailers have stated here your two for quart specials and three for bottle specials have brought the price down quite possibly as low as they will get within a few pennies a bottle in this state with the present tax system which you gentlemen are not responsible for.

MR. NOVAK: Anyone else?

Let me give you a statement. I have given some very serious thought over a period of time to this particular position of half gallons.

I want you to recognize the position that I happen to have. One is it is a public agency, and all segments of the public shall receive its consideration by me. It just seems to me in the last few years that somewhere along the line we have -- and I say we with quotation marks around it -- have taken very little consideration of the general public. Now, I don't quarrel with you people in the industry for opposing the half gallons; that is the nature of your position, that is the nature of your job, that is the nature of your livelihood; I don't question that at all.

A short while ago in the State of New York -- I think about somewhere in the neighborhood of July or August -- half gallons were instituted. I happen to be in New York in September, I think it was, and they were just getting to be. Today -- and I think I recall correctly, it is

probably the largest single seller of distilled spirits in the State of New York, half gallons. Now, you can dispute that if you like.

I not too long ago had a meeting with commissioners from, I think it was, Deleware, California -- whatever have you -- and there were some other states that have half gallons, they also emphasized the fact that in their particular states the half gallon has now become the largest individual single consumer item in their particular states. I am not going to quarrel in position, I am just trying to bring out some of the things that I have tried to find out so that I can make the best possible decision for the most people.

I had a note here, and I am glad somebody pointed it out -- I think Mr. Ghostley did -- I had a note before that to myself. We are looking at the ecology question; two for one, there is no way you can beat it, that's the way it is.

We are talking about recycling and retaining of bottles; it is a lot easier to handle one than it is two. I am looking at it again from another source. Not only one in making -- attempting to make a particular decision.

I can't in my own mind see where this is going to create such an inventory problem -- and I may be wrong -- for a great number of stores. I suppose we can go back and

take the grocery stores as an example. What is their greatest seller of milk? It's not in the small bottles or the small cartons, it's in the half gallons and the gallons, and not too many years ago before they were instituted as part of their merchandising of stores.

Now, you say you can't compare liquor and milk; I suppose you can't. But I am just trying -- I am talking about containers as such.

I don't think that there is probably a person in this room -- and I have to apologize for it -- who sometime or another hasn't gone to a party where half gallons were present. Now, if there were such a distasteful thing as far as a marketable item, there is an awful lot of people around who don't seem to think so.

Now, I am not going to quarrel also with the economics of it. I am not in the retail business or the wholesale business, I am looking at it strictly again from a broad point of view attempting to reach a decision. Who would benefit?

I am concerned for the temperance as well as anyone else, and any measure that I would institute temperance -- and you have heard me say this before at other hearings -- is an important part of my philosophy as far as this office is concerned. But I don't think that it enters into this particular phase of containers.

Differences in price. I don't know what the difference would be, what the cost reductions would be to the consumer. I only have to go again by experience in other states, and somebody pointed out that the tax differential in the state, but the same tax differential exists with our present items.

I also find a comfort in the argument of Mr. Marks when he said that when it comes to storage he said you can store one case of three gallons or four just as easy as you can, say, of quarts as far as storage is concerned.

I don't think that there is any harm that we find some disagreements between the on-salers and the off-salers, for example, to reach some kind of a compromise. But no one has shown me yet that I know of that half gallons, as such, will not come cheaper to the consumer; I can't believe it. I haven't seen it documented anywhere. If one follows a pattern in all industries when we are talking about size of containers and how often you handle it, which is all part of the mark-up, I am sure, of individual stores. We talked about shelf space; I am sure that most of you retailers are experienced enough and innovative enough that it wouldn't take too long before you would be able to find a place for half gallons in place of or in lieu of something else. I cannot buy in my own

mind that you are going to have to increase your store by another thousand square feet or something of that nature.

I am putting out for your benefit so there is no misunderstanding when the decision is made what I have based it on. I haven't made any decision to be perfectly honest with you, but I have tried to take the position of the devil's advocate in all positions. From that I hope that I have been able to screen out enough possible answers to help me make a decision that most people can live comfortably with.

It wasn't too long ago, if you people remember correctly, that the legislative intent by some legislators was to put into the statute a standard of fill of half gallons. Whether it would pass or not, I don't know.

Let me go to the metric system, for example. I fully appreciate the concern for the metric system and the changes that it may bring. Unless my literature that I get I have read wrong, the possibility of that happening within the next five years is very minimal before it goes through the whole spectrum. In fact, not too long ago in a beverage letter that I received, as I receive every month or two weeks whatever it is, I think they said something around 1980 could be the projected acceptance of the total metric system in containers. And, I can understand the concern of the distillers, but if the metric system is going to take

care of the half gallons it is going to take care of some of the other containers too.

I haven't heard the argument that Mr. Marks presented -- and maybe it is something to consider -- is the actual cost of the half gallon itself because of the ingredients in making of the container. I haven't given that any consideration. But I suppose if you get one half gallon or two quarts; I just don't know where we are talking about.

I only bring -- am putting this out to you people that I can consider seriously the compromise that was suggested here. But I want you to consider very seriously also my position that I have a concern that the general public, including the temperance aspect, receive the best possible consideration.

And, with that we will continue on unless somebody else wants to speak to the question, they will do so by coming to the stand. I only, as a matter of record again, pointed out all of the pros and cons in my mind that I have to contend with in making a final decision.

If there are no further questions on Chapter 2 then we will proceed to Chapter 3.

(At which time a ten minute recess was taken after which the following took place.)

MR. NOVAK: Gentlemen, we will continue now with

Chapter 3.

MR. MUER: Chapter 3 deals primarily with changes in license fees that have -- became statutory in the last several sessions, it also deals with elimination of a regulation germane to consumers' minimum resale price which was repealed by the Legislature in the last session, it also eliminates a one permit, import alcohol permit, which was incorporated into a purchase alcohol permit authorizing any standards of purchase; before we had one that was below thirty gallons and one was above thirty gallons, it was incorporated into one to make one less permit. This in essence is what Proposed Chapter 3 does.

Are there any questions on that?

MR. NOVAK: Any questions on Chapter 3? Yes, sir, would you come up to the -- spell out your name, sir.

NEIL SCHWARTAU: My name is Neil Schwartau, S-c-h-w-a-r-t-a-u, I am authorized to represent the Minnesota Pharmceutical Association. I am a pharmacist at Rochester Methodist Hospital.

A question -- and I don't know if it should be brought up here -- in relation to Chapter 12. It states that -- paragraph 35, Chapter 3, there is a provision for a pharmacist identification card, and when I get to Page 12 here I don't see any reference to that. So --

MR. MUER: That portion or that particular

regulation was not in any way amended, it remains. The only thing that we have in the proposed regulation that changes amendments, additions, deletions, et cetera, and the pharmacists I.D. permit is still remains in the regulations. Does that answer your question?

NEIL SCHWARTAU: No. If you look at Page 33, it says, paragraph 108 (b) it says pharmacists or druggists having a permit on prescriptions shall obtain from the Commissioner a pharmacist's identification card as provided in 35 Chapter 3. But I don't see --

MR. MUER: The reason this was discussed, paragraph "b" on Page 33 was that we changed the numbers 29 to 35 and Chapter 2 is now Chapter 3. The reason we didn't discuss Regulation number 35 or old liquor 29 is because it had no substantive change, there is no change whatsoever. The pharmacist or druggist permit still remains in the regulations, otherwise we would have to have copied the entire book.

NEIL SCHWARTAU: I don't see any reference to this permit in Section I-35.

MR. MUER: You would have to get the regulation book and read it.

NEIL SCHWARTAU: Oh.

MR. MUER: It is still there.

NEIL SCHWARTAU: Oh, I see, yea. Okay. The whole

thing is in here.

MR. MUER: That's correct. Only the amendments, deletions.

MR. NOVAK: We will go to Chapter 4.

MR. MUER: Chapter 4 is somewhat comprehensive. It deals primarily with the changes in the statute or the adoption of Chapter 664 dealing with joint purchases of wholesalers, I mean, by retailers --

This chapter primarily deals with Minnesota 1973 session laws Chapter 664 which authorized joint purchases of distilled spirits by wholesalers or by retailers, wholesalers' price filings and standards of fill.

I don't know if you have all read this and are aware of it. Are there any questions with reference to this area.

It also deals with Standards of Fill concerning the miniatures to be dispensed in approved dispensing devises; the Liquor Control Commissioner approves dispensing devices. It also deals with so-called black bagging by distiller representatives and wholesalers salesmen, et cetera; that is the last paragraph on Page 19.

MR. NOVAK: All right. Now, as a matter of record again, most of this is referred to the Chapter 664, the relationship of the wholesaler and the retailers with reference to Chapter 664, and those changes are recognized

in this chapter.

The one, of course, that we -- part of the Chapter 664 in which most of the liquor bill was attached to is the one dealing with selling of liquor by the drink.

In reference to it the Commissioner shall promulgate regulations to carry out that particular phase of the law. That refers to, of course, the dispensing devices that you people have heard about or read about.

Is there any question or comment pertaining to that.

Yes, sir?

NEIL SCHWARTAU: I have a question.

MR. NOVAK: All right. Would you --

NEIL SCHWARTAU: My name is Neil Schwartau.

As I understand these miniatures that you are referring to, these are only going to be available in dispensing devices and to common carriers?

MR. NOVAK: Yes.

NEIL SCHWARTAU: I would like to make a statement that it may be also be made available -- made available to pharmacists or hospitals so that they can be used for dispensing medicinal liquors on prescription.

At the present time it was our understanding that we had to buy a bottle for each individual patient and dispense out of that. Now, I don't know whether that is

correct or not. But, it would make it much easier to control if we could have these individual or miniatures available to us for dispensing on prescription in hospitals and nursing homes.

MR. NOVAK: May I answer to your question?

NEIL SCHWARTAU: Yes.

MR. NOVAK: I think personally it has merit, and I will give it some very serious consideration. But let me ask, in the process of knowing your business do you dispense or do these hospitals and so forth dispense by prescription only? Are you speaking of by prescription only?

NEIL SCHWARTAU: Yes.

MR. NOVAK: And, a large amount, if I may ask?

NEIL SCHWARTAU: Not a significant amount. Our hospitals are probably six hundred beds and I really can't tell you how much; it is not a significant amount.

MR. NOVAK: And then from the standpoint of -- what is the word I want to use? -- health, sanitary conditions and so forth, probably the miniatures would be easier for you to handle rather than empty one bottle and that is the end of the bottle rather than leaving a whole bottle half full or maybe three quarters full sitting on the shelf and whatever have you?

NEIL SCHWARTAU: That is right. For instance, we will dispense a pint bottle up to a nursing unit and she

has got to have it in a locked container, she will pour out a drink for the patient and then the patient is dispensed. And, our situation, when they take it along they are not hard drinkers ordinarily, and so you have got a partial bottle laying around that everybody picks up and takes home and this type of thing. So, the miniatures would be -- would provide us with a much better control.

MR. NOVAK: Is it a matter of practice then -- I would like to see this as a matter of practice if possible that these should be under some kind of a lock and key like any other of your dispensable drugs and only the pharmacist -- or maybe that wouldn't be practical -- only the pharmacists have access.

NEIL SCHWARTAU: It would be practical.

MR. NOVAK: It would be practical only for the pharmacist to have access to the dispensing through prescription of the liquor. If we wrote it that way --

NEIL SCHWARTAU: Absolutely, because we have -- we are handling -- we are handling narcotics --

MR. NOVAK: I understand that.

NEIL SCHWARTAU: And we control that.

MR. NOVAK: I would like to put the alcohol under the same kind of conditions then in hospitals as the way you handle narcotics or any other drugs that are necessary by prescription.

NEIL SCHWARTAU: That would be very acceptable to us and make it a lot easier for us to control.

MR. NOVAK: I will give that very serious consideration. In fact, at this moment I can say that I favor that unless there is something here that I can't see.

NEIL SCHWARTAU: Thank you very much.

MR. NOVAK: There is another gentleman over here and then I will get to you.

Mr. Clayton.

DONALD E. CLAYTON: Donald E. Clayton, C-l-a-y-t-o-n, representing I.D.S. Properties which operates the North Star Inn and the Marquette Inn.

I know that almost everyone here is familiar with our inn-room vending device. But in order to make the record complete I would like to just describe it.

It is a unit, the Bell Captain Unit, which we have at the North Star Inn -- is a vending unit placed in each guest room. It has twelve columns or selections in which may be put soft drinks, candy, cheese, whatever we find is a marketable item. We also have refrigerated columns for a continental breakfast or a sandwich.

Four of the columns are controlled separately from the remainder so that we may turn on eight columns and the other four are inoperable. This would be in case there were minors registered in the room. We also have the four

columns controlled on a time clock so that they would be shut off whenever the legal hour for selling has passed at one a.m. and would not be turned on until eight a.m.; it would be separately controlled so that there would be no dispensing of liquors during those hours. So, we have the control for the time of selling and we also have control if there are minors present.

We are not anticipating the use of the beverage to dispense beverages in any way to offset our cocktail lounges, but we are trying to establish a convenience for the guests, the one who arrives at five or six o'clock who would like to have one cocktail before going out for dinner and do to many problems we are not able to provide room service as fast as we would like to. So, if he wants a quick cocktail while he is taking his shower, it is almost impossible to get it by his using room service.

We feel we have adequate controls. We presented our situation to the legislature, we required an amendment which the last legislature, after careful consideration, did provide for us. It was then turned over so that the regulation would be controlled by the Liquor Commissioner.

I believe that describes what we are trying to accomplish.

MR. NOVAK: Does anyone else have any comments towards that?

The gentleman there (indicating).

PHILLIP COHEN: Thank you, Mr. Commissioner. My name is Phillip Cohen, C-o-h-e-n, I am the Mayor of the City of Brooklyn Center representing the State League of Municipalities.

I presume we are open for comment on miniatures because it is also discussed in Chapter 6.

MR. NOVAK: Yes, yes.

PHILLIP COHEN: I have discussed this with Mr. Muer and I want to thank him for his cooperation. I would just like to put a couple of items in for the record.

This gentleman from the I.D.S. kind of answered how it could be controlled. The question I have is the regulations as proposed would permit -- would they permit local units of government to adopt its own local regulations to, one, prohibit or also regulate as local conditions may dictate? Could I have that question answered, Sir?

MR. NOVAK: It is my intention, of course -- and I don't know if we have to write this in -- correct me if I am wrong -- that any local unit of government may if they so desire further put any kind of restrictions they like. For example, if this is authorized by the Commissioner to go into -- under certain conditions, and people -- or the council in Brooklyn Center sees fit, for example, that they do not want any part of this, then they may pass an

ordinance forbidding or put any other restrictions they may upon this. Am I right in that, Mr. Gallagher?

MR. MUER: Three forty eleven, subdivision seventeen, provides that -- right in the liquor statutes that any governing or any municipality may further restrict any liquor statute they so desire that may further restrict this. There is no question but you could control it on a local level, home rule.

PHILLIP COHEN: Thank you very much.

MR. NOVAK: For the matter of record, then, it cannot be less restrictive than has been established.

PHILLIP COHEN: Very good. That we understand. Thank you.

MR. NOVAK: Any other comments on that? If not, for the record again I would just like to make a brief statement with reference to that.

Off the record.

(Discussion off the record.)

MR. NOVAK: Back on the record.

I would like to make one comment with reference to this, and that is this, in reference to the question I asked our legal counsel.

It is every intention of mine as long as I hold this particular office to never authorize the sale of miniatures in a system or manner such as -- and this is no

admonition of the Coke machine and this time -- I will and will not as long as I hold this office. Every machine that goes into the State of Minnesota shall have my scrutiny and no way will I approve any machine unless it has one hundred percent control by some master selective switch at the main office or the main desk. I want that as a matter of record because if somebody who decides that he wants a fly-by-night operation, so-to-speak, and puts some type of a machine that does not have that control, I will refuse to -- and that is why I wanted to reinforce the wording of the legislation upon approval of the Commissioner. No way will I approve anything unless we have the strictest kind of control, because we have some concerned citizens in reference to this, and rightfully so, and rightfully so.

But I want to go on record stating that I will try and will see that it is strictly enforced. And I cannot see a hotel or a large motel jeopardizing their liquor license by going ahead and doing something without the approval of the Commissioner. I just give that kind of a warning a little bit ahead of time; no way will I stand for it. I think that'll answer any question that somebody may have any doubts about what we are talking about.

Is there any further comment on this?

Would you like to come up here? Would you state your name and spell it please?

DAVID DAHLBERG: David Dahlberg, D-a-h-l-b-e-r-g.

It seems to me that this is a function of the off sale dealers to sell bottles and it is relegated to the on salers, and then instead of setting the hours to be off sale -- because that is actually what they are doing, they are selling a bottle regardless of the size. And it seems to me that you are turning the thing around and giving them the on sale hours which you take away from the off sale dealers who have to be closed at eight o'clock and you turn around and give them the full hours of the on sale liquor dealers, and it is strictly a function of the off sale liquor dealers to sell by the bottle.

MR. NOVAK: It is a point well taken.

John, would you like to have a comment on that?

MR. MUER: Yes.

The only thing I can say, Commissioner, is this. That the Legislature made this change in Chapter 664, they changed the terminology of off sale to include "by the drink" for purposes of miniatures only. They had to make this change that Mr. Clayton spoke of, that they went before the -- it was open, it was aired totally before committees in the House and the Senate. And, the Commissioner is implementing this language of the statute. This was done not by the Commissioner, but by the Legislature.

Does that answer your question?

MR. NOVAK: Would you like to come up here?

CHUM BOHR: My name is Chum Bohr.

I believe in relation to that, John, too -- I believe room service is always open during all on-sale liquor hours.

MR. MUER: That is right.

CHUM BOHR: So I don't think that this is a departure of that.

MR. MUER: Right.

CHUM BOHR: It is the same thing as room service which the intent of this thing was.

MR. MUER: That's correct.

MR. NOVAK: Any further comment or question with reference to the dispensing devices? If not, then we will continue on to the next chapter, five.

MR. MUER: Chapter 5, Proposed Chapter 5, is really an updating of a regulation with reference to recent statutes that have been passed in the last several sessions dealing with county liquor licenses, the amount to be issued, et cetera, and add some things in split liquor, the maximum numbers, combinations of business, et cetera, and it also deals with an application for any -- who refuses service as a result of a color, race, national origin or et cetera, discrimination, and puts it in there as any person that does this is ineligible for a license, which is

corresponding to other statutory language. That is basically the involvement of this change in the chapter -- in Chapter 5.

MR. NOVAK: Any question on that chapter?

Mr. Cohen, would you --

PHILLIP COHEN: Phillip Cohen.

This is to more or less to confirm with the record a conversation that I had with Mr. Muer. I just want to take this time to thank him and let the commission know that I appreciate the cooperation.

The question on split liquor licenses is a matter that Brooklyn Center and Roseville had special legislation to allow them to have ten licenses on the split liquor does not have to be noted in this regulation. Is this correct?

MR. MUER: It does not have to be.

PHILLIP COHEN: Okay.

Then the second item I have a question on is on the top of the next page which has raised a concern of some of the municipal officials as to a change in the off-sale and on-sale licensing procedure. And, as Mr. Muer indicated, this applies to clubs. Is this correct?

MR. MUER: That is correct, clubs.

PHILLIP COHEN: Okay.

I suppose one general comment then for the record is that I would like to ask a question if it is proper, if

it isn't you can take it up later. There is nothing in these regulations that changes the relationship of municipal government to issuing on and off sale licenses. And, our relation with the Commission that we have now, everything stays the same?

MR. MUER: Exactly.

PHILLIP COHEN: Thank you very much.

MR. NOVAK: Anything further?

I would just like to comment again for the record. This chapter primarily deals with some of the statutory changes that were made in past years. And, it was my intention to bring everything into proper focus. In 1974 -- and this was the purpose of this particular changes made in these chapters; they are all statutory changes that are in effect now, and we wanted to make them part of the regulations as of 1974.

If there are no further questions we will go to the amended chapters read. Chapter 6.

MR. MUER: Chapter 6, Proposed Chapter 6, in essence is the authorization to dispense miniatures is the meat of the -- although it is brought up in other areas to alter that to authorize, but this is the meat of the -- of the amendment or the implementation of the statute in Chapter 664 for said miniatures. And, as the Commissioner brought up earlier, it goes into state that miniatures and

dispensing devices approved by the Commissioner in the first paragraph, or under paragraph (a) of Liquor fifty -- Proposed Liquor Fifty Four goes onto paragraph (b) and states -- is considered sale by the drink. It goes on to say that these approved mechanical devices necessarily must have the approval of the Commissioner. And it goes on to fill in some of your safeguards unless it can be in full compliance with the provisions of the statute and it is functional by control, et cetera, that it will not be approved, et cetera. That is basically what that proposed regulation changes.

MR. NOVAK: Any questions on Chapter 6?

If there are no further questions on Chapter 6 we shall continue to the next chapter.

MR. MUER: Well, this is Proposed Chapter 8, there is no Chapter 7. The Commissioner held previous hearings on dealing with advertising which has been transferred to Chapter 7 and we are not dealing with it at this hearing, so we go right to Chapter 8. And this, in turn, deals with certain sanctions for registration of product in Minnesota that is off the wholesaler's premises; if it has been received by a wholesaler the responsibility is to have it registered, and there are times that we allow it to come in, but not to be sold. And this is to put a further responsibility on the wholesaler to not put this out

in the market until such product is registered and will be confiscated if it is. And the rest of it is just a matter to further implement registration and manifesting of product in this state which is already being done, but it never did discuss it in the regulations; it is just an updating, really, of labeling and notification of our office.

MR. NOVAK: Fine.

For the record again, for the representative of the wholesalers I would like to emphasize the fact that we are concerned about the brand registration and how it has been handled and how it should be handled in the future, we wrote it to re-emphasize the fact that any product that is sold in the State of Minnesota without the proper brand registration will be confiscated by our office. I would like to make that reference to the wholesalers.

Any further comment?

Mr. Byers.

GEORGE BYERS: George Byers, Minnesota Wine and Spirits Institute.

Just a matter of clarification. Old Liquor sixty which is now Liquor seventy one is labeled Brand Label Approval. And I would assume in reading this that the -- that that previous Liquor sixty will be included in its entirety in the new regulations and that (a) will simply

supplement that.

MR. MUER: That is correct. Your point is well taken and it is good that you put it in the record. It is an error on our part. When we added amendment (a) to liquor -- Proposed Liquor 71 we neglected to put (b) in or make that (a) and make that (a) and make this (b); it is just a typographical error. But I have a note of this to myself.

GEORGE BYERS: Thank you.

MR. MUER: Thank you.

MR. NOVAK: Thank you

Any other comment? If not, we will continue to Chapter 9.

MR. MUER: Chapter 9 in essence deletes some language dealing with the requirement of common carriers manifesting notice to this office et cetera. This was due as a result of a transition by directive of the Governor transferring the tax division of the Liquor Control Department to the Department of Taxation, and these are fundamental changes that was requested by the Tax Division since they made some changes in the procedure of how they audit, et cetera, and notifying it as no longer necessary to have this language. It was just a matter of deleting this and it streamlines it and is less burdensome on the carrier and the wholesaler.

MR. NOVAK: Any questions? If not, we will continue with the next chapter, ten.

MR. MUER: This does several things. It just in essence changes certain titles of the Code of Federal Regulations that have been changed and our regulations were obsolete by citing these specific titles and parts, and in turn where we have adopted their standards as our standards we just updated these to include the Code of Federal Regulations without stating the parts so it would remain concurrent with the Federal Code regardless of any changes they may have. In addition to that under Proposed Liquor Regulation 92 we did include this, the half gallon, as an additional standard of fill which was totally discussed. And the balance of that, changes under 98 paragraph (a) that a brewer was required to identify the difference between strong and three-two beer by having a different type of cap would seem to be a restriction that really doesn't have much sense or -- because the labels itself do contain the distinction between the two and it was very burdensome for a lot of producers and it really didn't seem to carry much weight one way or another so we eliminated it.

MR. NOVAK: Any questions on that chapter? If not we will continue with the next chapter, eleven.

MR. MUER: This was to update our regulations to deal with bottle clubs or consumption and display permits.

There were some amendments to the law in '67 and '69 changing certain words from public place to business establishment from private club to bottle club, and we just updated our regulations to run concurrent with the statutory provisions.

In addition to that we had a regulation; as you see it is crossed out under one-oh-two, Proposed Liquor Regulation one hundred and two that the Commissioner would require that all applicants for consumption and display permits must be endorsed by the local governing body, the mayor, chief of police or the sheriff and/or chairman of the county board. It was seriously questioned whether the Liquor Control Commissioner had this authority since the statute requires that he solely issued said permit, so we put it out. But the Liquor Commissioner will still require this as a condition of licensing, but not by regulation.

Basically that is it.

MR. NOVAK: Any question on that?

Mr. Cohen.

PHILLIP COHEN: Phillip Cohen again.

I think Mr. Muer has clarified the question I asked. Just for the record though, does the Commissioner consider adopting some sort of in-house office procedure by which local government is involved in this so we are -- we can transmit the information to you. And, we have some problems

here before you have to make a decision.

MR. NOVAK: Mr. Cohen, as a matter of record it is my intention never to offer a C and D permit as such without the complete information coming from you as a mayor or members of your council or members of your community, gathering all of this information and making my decision based upon that kind of information that you, as an elected official or any other official of your community, so desires to make -- bring to my attention. I will not ignore, in other words, the consideration given by this to your particular governing body.

PHILLIP COHEN: Thank you very much.

MR. NOVAK: Any other questions?

The next chapter, please.

MR. MUER: Proposed Chapter 11 eliminates language in our regulations which was germane to the minimum consumer resale price of distilled spirits and wine which was in its entirety deleted or repealed by the Legislature in the '73 session, so as a result we eliminated the entire regulation and are re-numbering that to Chapter -- old Chapter 10 to Chapter 11, and we go to Chapter 12.

MR. NOVAK: Is that understood now? If it is we will continue on with Chapter 12.

MR. MUER: This is again just an updating as a result of certain changes in numbering of our regulations.

We changed Chapter 2 to Chapter 3.

There is an error that was brought up that we observed that we had in paragraph (b). It refers from old Liquor 29 to Liquor 35 (b) which should be 35 (c) or some other thing. The reference to (b) is wrong and we have made a note of that. It will still be pharmacists and druggists will have a permit, but not under paragraph 35 (b) -- which I don't have my book with me so I can't at this time state -- which paragraph that will be.

MR. NOVAK: Would you like to have a comment, sir?

NEIL SCHWARTAU: My name is Neil Schwartau. I would like to make one observation first.

As long as we are updating the terminology we can eliminate "or druggists" and just talk about pharmacists --

MR. NOVAK: Okay.

NEIL SCHWARTAU: Because druggists is kind of an obsolete term which is not in the law or anything of that nature.

Secondly, in the part on records in the section 210 on records it seems to me that part of it as far as hospitals is concerned is impossible to comply with in filing the original prescription because the way things are prescribed in a hospital is that the order is written on a patient's chart and that is part of the permanent medical record, and we can't submit that as a report to the

Commissioner. So, I would suggest probably that we go and put a period after "fill" and say pharmacists licensed to sell medicinal liquor and alcohol and alcohol for compounding medicines shall maintain a complete record of all purchases made and prescriptions filled, and not file any report with the Commissioner. We are not required to do this with narcotics and this type of thing, and I think this would be adequate. However, if you deem that this is necessary I think that we could provide some kind of a report. But it seems that there are an awful lot of restrictions here to notarize it and this type of thing, and it looks like it's more of a control than was existing when prohibition was effective.

MR. MUER: The point is well taken.

MR. NOVAK: Would you do this, sir. In the next few days, or whatever it is, would you sit down and submit to my office some kind of a recommendation that you would like to have from your organization as pharmacists in the wording of this paragraph to facilitate your problem. We are fully in agreement, we have no objection to that kind of philosophy. But if you would like to do that I would appreciate it as for our consideration.

NEIL SCHWARTAU: Yes.

I had a typed-up page here, but I learned a lot during the process and now it is obsolete, so I will advise

it and submit it to you.

MR. NOVAK: May I interject for a matter of record here.

In your letter in this would you also submit the reasons why you would recommend those changes so it is all a matter of record, it is all out in the open, so I would be able to explain it to somebody who asks me the question why was this changed by the pharmacists group and so on, and I will be able to explain it?

NEIL SCHWARTAU: Would be very happy to do that, sir.

MR. NOVAK: Thank you, sir.

Any other questions dealing with that?

I have one further question of the pharmacists with relation to a proposed regulation if I may interject at this particular point.

Mr. Muer, how do we in our regulations, if we so change and are favorable to it -- if the pharmacists and the hospitals are able to purchase miniatures, the procedures that the pharmacists may or have to go through? Do we have to somewhere spell that out specifically in this particular chapter in purchasing miniatures because he will not be able to purchase it from an off-sale dealer, he has to purchase from a wholesaler, from the standpoint of making it easier for them because they do not purchase in large

quantities; how can we implement that procedure in a form of a regulation, or, is it tactical, that is the question I am asking?

MR. MUER: Yes, a very simple procedure really. The pharmacists at this stage of the game do have the ability to buy distilled spirits and alcohol, any kind of whiskey and any Standard of Fill that they have, and they are authorized from a quart on down to a half a pint. And, we would just have to merely change instead of common carriers add in "or pharmacists" in our earlier regulation here which we have already amended.

MR. NOVAK: If I may interject again, Mr. Muer. They can purchase those now from a retailer?

MR. MUER: No, from a wholesaler.

MR. NOVAK: Oh, a wholesaler?

MR. MUER: Yes.

MR. NOVAK: Okay.

MR. MUER: Yes.

MR. NOVAK: Okay, fine.

MR. MUER: It would just be a matter of in the authorization for common carriers to include pharmacists to purchase that Standard of Fill.

MR. NOVAK: Is that clear?

NEIL SCHWARTAU: There is no case quantities or anything involved in that type of --

MR. MUER: No.

MR. NOVAK: I am sorry.

MR. MUER: The limitation there would be what the wholesaler would offer. If he says I am sorry but I only sell in one-case lots, not broken lots, that would be a matter for you and him to decide.

MR. NOVAK: Any further questions?

Mr. Muer, have we got any further chapters to discuss?

MR. MUER: Yes, two more.

MR. NOVAK: Two more. All right.

MR. MUER: Chapter --

MR. NOVAK: I would like to complete this by noon.

MR. MUER: Chapter 13 has eliminated an importer's permit which was a -- something of a year's standing where we had a purchase alcohol permit and an import alcohol permit and one authorized the same people to buy in thirty gallons or more and one said in thirty or gallons or less, whichever permit you had. So, we just eliminated that and changed the language to only authorize or require a purchase alcohol permit in any quantity. For some reason or other years ago it seemed to be available in smaller lots and it isn't anymore, and it is somewhat cumbersome for people to buy -- have one permit or another and they found themselves having both permits because they bought in thirty gallons or more

sometimes or thirty gallons or less. I couldn't give you the rationale as to why that was the case, but we felt that it would be more streamlined to just authorize some person to purchase alcohol in any quantity that he so desired, and that is the essence of that regulation change.

MR. NOVAK: Any questions relating to that?

Mr. Muer, would you continue?

MR. MUER: Chapter 14 completely elminated the repeal as a result of regulations dealing with hearings of the Liquor Commissioner is fully discussed under the statutes of Chapter 15; he must comply with those procedures under the law. And, it was rather redundant for us to establish a regulation that is dealt with by statute. It seems obsolete; that is why it was eliminated.

MR. NOVAK: Does that complete it?

MR. MUER: That completes the proposed changes in the regulations.

MR. NOVAK: Gentlemen, that completes what we consider as our initial revising of the Commissioner's rules and regulations bringing it up to date to 1974; kind of a pledge or promise that I made to John that I would like to have this done in a very short while; we have completed that.

I want you to know that Mr. Muer and his office staff have done a considerable amount of work in dealing with this; it is not a simple procedure. I am only thankful that

that part of it is completed and after a short period of time we will have all of this incorporated into a booklet as we have had in the past and will make it available or people will know where it will be available so that all communities through the League of Municipalities, and so forth, may have an opportunity to obtain a copy of the completed regulations.

This completes the oral, I guess you would say, part of this hearing. We still have twenty days in which anyone may submit anything that they may have with reference. I will not make any decisions, public decisions, with reference to any changes that we have made until after the twenty days has been concluded.

It is my intention then that you people write if you so -- a brief, submit it to my office in the next twenty days and I will be glad to take anything under consideration.

In closing may I say this, that the role of the Commissioner in a regulatory body such as mine is not a very easy role to play. I try to point out earlier -- and I want to apologize if I may have sounded overly strong in some of my sentiments, but that is the position of the Commissioner and he must stand alone on it.

I have always tried to conduct the philosophies of myself and the office so that I may exhibit as much of the general public's confidence in myself and in the legislative

process and in the regulatory process. In no way will I consider myself as playing God with rules or regulations of this particular department. I want imput, I hope that I have done so this morning. I will take very seriously all comments made by all facets of the industry into consideration. I will also be in contact with a number of people, legislators and the like, in presenting this information that was presented to me this morning for their guidance in helping me make a final decision as to some of the more controversial aspects of this regulatory hearing.

If there are no further comments I will close the hearing as of now.

Thank you very kindly for your patience.

(The hearing was concluded at 11:25 o'clock a.m.)

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE JOSEPH V. NOVAK
LIQUOR CONTROL COMMISSIONER

In the matter of the Proposed Adoption of Regulations of the State Liquor Control Commissioner Amending and Repealing Provisions of Liquor Regulations, Chapters 1 through 14, except Chapter 6 (Advertising) as amended, relating to, Taxes; Licenses and Permits; Duties and Restrictions upon Manufacturers, Wholesalers and Importers; Issuance of Retail Licenses, Responsibility of Retailers; Brand Label Registration; Importation and Transportation; Identification, Labeling and Standards of Fill; Bottle Clubs; Minimum Consumer Resale Prices; Pharmacists, Druggists and Ethyl Alcohol; Ethyl Alcohol and Non-Beverage Use; Hearings and Penalties.

ORDER FOR HEARING

To effectively implement Minnesota Statutes Chapter 340 (1971) as amended, the Minnesota Liquor Control Commissioner deems it necessary to consider adoption of Regulations as captioned above and as described in the accompanying Notice, pursuant to the authority vested in me by Minnesota Statutes Section 340.09 (1971) as amended.

NOW, THEREFORE, IT IS ORDERED this Tenth day of December, 1973, that a public hearing on the proposed adoption of such regulations be held in Room D of the Veterans Service Building, 20 West 12th Street and Columbus Avenue (between Wabasha and Iglehart), St. Paul, Minnesota, on Monday, January 14, 1974, at 9:00 A.M., and continuing until all interested persons have had an opportunity to be heard.

IT IS FURTHER ORDERED, that notice of said hearing be given to all interested persons who have registered their names with the Secretary of State for purposes of receiving such notice, and all members of the Minnesota Legislature.

STATE OF MINNESOTA
LIQUOR CONTROL DEPARTMENT

Joseph V. Novak

JOSEPH V. NOVAK
LIQUOR CONTROL COMMISSIONER

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE JOSEPH V. NOVAK
LIQUOR CONTROL COMMISSIONER

In the matter of the Proposed Adoption of Regulations of the State Liquor Control Commissioner Amending and Repealing Provisions of Liquor Regulations, Chapters 1 through 14, except Chapter 6 (Advertising) as amended, relating to, Taxes; Licenses and Permits; Duties and Restrictions upon Manufacturers, Wholesalers and Importers; Issuance of Retail Licenses; Responsibility of Retailers; Brand Label Registration; Importation and Transportation; Identification, Labeling and Standards of Fill; Bottle Clubs; Minimum Consumer Resale Prices; Pharmacists, Druggists and Ethyl Alcohol; Ethyl Alcohol and Non-Beverage Use; Hearings and Penalties.

NOTICE OF HEARING

Notice is hereby given that a public hearing will be held pursuant to Minnesota Statutes Section 15.0412, Subd. 4 (1971) in the above-entitled matter, in Room D of the Veterans Service Building, 20 West 12th Street and Columbus Avenue (between Wabasha and Iglehart), St. Paul, Minnesota, on Monday, January 14, 1974, commencing at 9:00 A.M. and continuing until all interested persons have had an opportunity to be heard, concerning the proposed adoption of Regulations as described herein. Statements may be submitted orally or in writing. It is not necessary to appear at the hearing in order to submit a written statement.

The Commissioner proposes for adoption:

Regulations amending, repealing, or superceding Liquor Regulations, Chapters 1 through 14, except Chapter 6 (Advertising) as amended.

Copies of the proposed Regulations are now available and may be obtained by writing to Joseph V. Novak, Liquor Control Commissioner, Hanover Building, 480 Cedar Street, St. Paul, Minnesota 55101.

STATE OF MINNESOTA
LIQUOR CONTROL DEPARTMENT

Joseph V. Novak

JOSEPH V. NOVAK
LIQUOR CONTROL COMMISSIONER

DEFINITIONS ARE AMENDED TO READ AS FOLLOWS: PROPOSED

~~DEFINITIONS FOR REGULATIONS AND LAWS~~

DEPARTMENT OF LIQUOR CONTROL

CHAPTER ONE

DEFINITIONS

~~Definitions~~ Liq 1 In the statutes and regulations the following words and phrases will be used and shall have the meaning as hereinafter defined. ~~MINN. ST. means Minnesota Statutes.~~

(a) Age (as it applies to distilled spirits) means the period during which, after distillation and before bottling, distilled spirits have been kept in new or used oak containers, as provided for by federal regulations.

~~(b) Advertising means and includes any advertisement of alcoholic beverages through the medium of radio broadcasting, television, motion pictures, public address system, newspapers, periodicals, or other publication, or any sign or outdoor advertisement, or any other printed or graphic matter.~~

~~(c)~~ (b)

~~(d)~~ (c)

~~(e)~~ (d) Beer, as defined in ~~Title 26~~ Code Federal Regulations ~~(4954)~~ ~~Part 245~~ and Chapter ~~Nine,~~ Ten hereof means malt beverages or malt liquors.

~~(f) Brewer, see Section 340.44.~~

~~(g) Clubs as defined in Minn. St. 340.07, Subd. 7, Minn. St. 340.44, Subd. 6, and Minn. St. 340.14, Subd. 3.~~

~~(h) Commissioner, Minn. St. Sections 340.08 and 340.44, (4).~~

~~(i)~~ (e) Container, and original container, ~~depending on the context, have several meanings.~~ have the following meanings depending upon the context in which used.

(2) For malt beverages they mean (1) full or fractional barrels, (2) cases

of bottles, (3) individual bottles as each may be designated as a unit, see Section 340.07, Subd. 2, 10 or any container which is sealed.

~~(j)~~ (f) Distilled spirits, as defined in ~~Title 26,~~ Code Federal Regulations ~~(1954) Part 220~~ and Chapter ~~Nine~~, Ten hereof means distilled spirits and intoxicating liquors in which the alcoholic contents are produced principally by distillation process.

~~(k) Excise tax, see Section 340.47 and Chapter One.~~

~~(l) Exclusive liquor store, see Section 340.07, Subd. 5.~~

~~(m) Hotel, see Section 340.07, Subd. 4.~~

~~(n) Importer, means any out of state distiller, rectifier, winer, brewer, wholesale distributor or person licensed to ship distilled spirits, wine, ethyl alcohol or beer to Minnesota manufacturers and wholesale distributors, Sections 340.443 and 340.493.~~

~~(o) Intoxicating liquor includes distilled spirits, wine and malt beverages containing more than 3.2 per cent of alcohol by weight, see Sections 340.07, Subd. 1 and 340.401 to 340.407.~~

~~(p)~~ (g) Licensee, depending on the context, may mean any "person" who has been issued a license by the State of Minnesota or any of its subdivisions pursuant to Minn. St. Chapter 340, to manufacture or wholesale, or sell at retail intoxicating liquors or to engage in business of ~~brewing,~~ brewer, wholesale distributor or retail ~~sale~~ seller of malt beverages. ~~"Licensed Premises" means only the area described in the application for such license.~~

(h) Licensed premises means only the area described in the application for such license.

~~(q) Manufacturer, see Section 340.07, Subd. 1.~~

~~(r) Medicinal, mechanical and scientific, see Sections 340.07, Subd. 8 and 340.48.~~

~~(s) Municipality, see Section 340.07, Subd. 3.~~

~~(t) Non intoxicating malt liquor means malt beverages named in Chapter Nine which contain alcohol of not less than 1/2 of 1 per cent by volume nor more than 3.2 per cent by weight (4 per cent by volume). Sections 340.01 to 340.06 inclusive.~~

~~(u) "On-sale" and "off-sale" -- See Section 340.07, Subd. 4.~~

~~(v)~~ (i) Place of business, includes any public business establishment or private club where intoxicating liquor, non-intoxicating malt liquor, or soft drinks are sold, or which permits the display and consumption of intoxicating liquor, ~~see Section 340.14, Subd. 3.~~ as provided for in Minn. St. 340.119.

~~(w) Person includes natural persons, bodies politic, corporations, partnerships and other unincorporated associations. -- Section 645.44, Subd. 7.~~

~~(x) Restaurant, see Section 340.07, Subd. 6.~~

~~(y) Sacramental wine, see Sections 340.47 and 340.50.~~

~~(z) Sale and sell, see Section 340.07, Subd. 1.~~

(j) Wine means wine as defined in Code Federal Regulations and Chapter Ten hereof.

~~(aa) Wine means wine as defined in Rule 26, Code Federal Regulations (1954) Part 240 and Chapter Nine.~~

~~(bb) Wholesale distributer, see Sections 340.07, Subd. 4, and 340.44.~~

~~(cc) "Minor" See Section 340.14, Subd. 4.~~

Liq 2 - 4 Reserved For Future Use.

CHAPTER ONE IS AMENDED TO READ AS FOLLOWS:

CHAPTER ~~ONE~~ TWO LIQ ~~1-a-16~~

Liq ~~1~~ 5

(a) Excise tax on distilled spirits and wine as provided by Minnesota Statutes Section 340.47, Subdvision 1.

Distilled spirits ~~& sparkling wine~~ . . . . . ~~$2.50~~ $3.08 per gallon (128 oz.)

NOTE: Containers of bitters which have the Federal liquor strip stamp attached shall be considered as intended for beverage purpose and shall be taxed as distilled spirits.

Champagne & Sparkling wines. . . . . .$3.08 per gallon (128 oz.)

Still wine, 14 to 21 per cent . . . . . ~~$.60~~ $ .79 per gallon (128 oz.)

Still wine, not more than 14 per cent . . . . ~~$.20~~ $ .27 per gallon (128.0z.)

~~(b) Subd. 5 provides for a surtax of 15% of the face excise tax value on distilled spirits and wine.~~

~~(c)~~ (b)

~~(d)~~ (c)

~~Distilled Spirits & Sparkling Wine~~

	~~@ $2.50 Excise~~	~~@ 15% Surtax~~	~~@ $.01 Certs~~	~~Total Tax per Bottle~~
~~Quarts~~	~~$.625~~	~~$.09375~~	~~$.01~~	~~$.72875~~
~~Fifths~~	~~.50~~	~~.7500~~	~~.01~~	~~.585~~
~~Pints~~	~~.3125~~	~~.04688~~	~~.01~~	~~.36938~~
~~Tenths~~	~~.35~~	~~.03750~~	~~.01~~	~~.2975~~
~~1/2 Pints~~	~~.15625~~	~~.02344~~	~~.01~~	~~.18969~~
~~Splits~~	~~.15625~~	~~.02344~~	~~.00~~	~~.17969~~
~~Miniatures (Common Carriers Only~~	~~.0625~~	~~.00938~~	~~.00~~	~~.07188~~

Still Wines 14 to 21 per cent alcohol by volume.

	@ $.60 Excise	@ 15% Surtax	@ $.01 Certs	Total Tax Per Bottle
Gallons	$.60	$.09	$.01	$.70
1/2 Gallons	.30	.045	.01	.355
Quarts	.15	.0225	.01	.1825
Fifths	.12	.018	.01	.148
Pints	.075	.01125	.01	.09625
Tenths	.06	.009	.01	.079
1/2 Pints	.0375	.005625	.01	.053125
Splits	.0375	.005625	.00	.043125

Still Wines - Not More than 14 per cent of alcohol by volume.

	@ $.20 Excise	@ 15% Surtax	@ $.01 Certs	Total Tax Per Bottle
Gallons	$.20	$.03	$.01	$.24
1/2 Gallons	.10	.015	.01	.125
Quarts	.05	.0075	.01	.0675
Fifths	.04	.006	.01	.056
Pints	.025	.00375	.01	.03875
Tenths	.02	.003	.01	.033
1/2 Pints	.0125	.001875	.01	.024375
Splits	.0125	.001875	.00	.014375

Distilled Spirits:

Excise @ $4.39 Per Wine Gallon

Half Gallons	$ 2.195
Quarts	1.0975
Fifths	.878
Pints	.54875
Tenths	.439
Half Pints	.274375
Minatures	.12

Champagne & Sparkling Wine:

Excise @ $3.08 per Wine Gallon

Quarts	$ .77
Fifths	.616
Pints	.385
Tenths	.308
Half Pints	.1925
Splits	.1925

Still Wines 14 - 2[illegible] per cent alcohol by volume:	
Excise @ $ .79 Per Wine Gallon	
Gallons	$ .79
Half Gallons . . .	.395
Quarts	.1975
Fifths	.158
Pints	.09875
Tenths	.079
Half Pints	.049375
Splits	.049375

Still Wi[illegible] Not More than 14 per cent alcohol by volume:	
Excise @ $ .27 Per Wine Gallon	
Gallons	$ .27
Half Gallons	.135
Quarts	.0675
Fifths	.054
Pints	.03375
Tenths	.027
Half Pints	.016875
Splits	.016875

Liq 2 6

Liq 3 7

Liq 4 8

Liq 5 9

Liq 6 10

Liq 7 11

(i) (3) Computation of taxes due shall be based on the total taxable sales of the gallonage and bottles record, Line 18, which shall be entered on Lines 32 through 35 respectively, extended by the tax rates as provided, and totaled on Line 37.

~~The surtax, 15% of the excise tax, shall be computed on the excise tax and totaled to Line 38.~~

Containers sold, Lines 12 and 18, which should have certification labels affixed shall be combined on Line 39.

The gross tax due for the month, Line 40, is the sum of Lines 37, 38a, 38b and 39.

Tax credit is allowed for certification labels affixed to containers sold as recorded on Line 29, when entered on Line 41.

Additional tax credits may be allowed on Line 42 for tax overpayments of

prior periods determined by audit at a later date for receivings that were overstated or exempt sales that were not claimed.

The total credits against the tax due shall be totaled on Line 42 to arrive at the net tax due for the month as recorded on Line 43.

Liq ~~8~~ 12

(a) Excise tax on malt beverages, as provided by Minn. St. 340.47, Subd. 2, and containing not more than 3.2 per cent of alcohol by weight, ~~$1.60~~ $2.00 per barrel (31 gallons); malt beverages containing more than 3.2 per cent of alcohol by weight, ~~$3.20~~ $4.00 per barrel (31 gallons).

(b) Tax rate schedule on malt beverages:

Size of Container or Case	Containing NOT MORE than 3.2% Alcohol by Weight	Containing MORE Than 3.2% Alcohol by Weight
~~1-Barrel~~	~~$1.60~~	~~$3.20~~
~~1/2-Barrel~~	~~.80~~	~~1.60~~
~~1/4-Barrel~~	~~.40~~	~~.80~~
~~6/128-Oz.-Containers~~	~~.30968~~	~~.61936~~
~~1/8-Barrel~~	~~.20~~	~~.40~~
~~48/12-Oz.-Cs.~~	~~.23226~~	~~.46452~~
~~12/32-24/16-Oz.-Cs.~~	~~.15484~~	~~.30968~~
~~24/12-36/8-Oz.-Cs.~~	~~.11613~~	~~.23226~~
~~1/288-Oz.-Container~~	~~.11613~~	~~.23226~~
~~4/64-Oz.-Cs.~~	~~.10323~~	~~.20645~~
~~36/7-Oz.-Cs.~~	~~.10161~~	~~.20323~~
~~35/7-Oz.-Cs.~~	~~.09879~~	~~.19758~~
~~24/8-Oz.-Cs.~~	~~.07742~~	~~.15484~~
~~24/7-Oz.-Cs.~~	~~.06774~~	~~.13548~~
~~12/12-Oz.-Cs.~~	~~.05806~~	~~.11613~~
~~1/144-Oz.-Container~~	~~.05806~~	~~.11613~~
~~1/128-Oz.-Container~~	~~.05162~~	~~.10323~~

1 Barrel	$ 2.00	$ 4.00
1/2 Barrel	1.00	2.00
1/4 Barrel	.50	1.00
1/8 Barrel	.25	.50
6/128 Oz. Containers	.38708	.77416
48/12 Oz. Cs.	.29032	.58064
12/32-24/16 Oz. Cs.	.19354	.38708
24/12-36/8 Oz. Cs.	.14516	.29032
1/288-2/144 Oz. Container .	.14516	.29032
4/64 Oz. Cs.	.12902	.25804
36/7 Oz. Cs.	.12702	.25404
35/7 Oz. Cs.	.12348	.24696
24/8 Oz. Cs.	.09678	.19356
24/7 Oz. Cs.	.08468	.16936
12/12-1/144 Oz. Container. .	.07258	.14516
1/128 Oz. (1 Gal.) Container .	.06452	.12904

Liq § 13 Minnesota Brewers Report. Minnesota brewers shall file reports on form No. 88 for 3.2 beer and on form No. 89 for strong beer, indicating all information as may be required to compute the amount of the excise tax due on taxable sales made within the state. Said reports shall indicate:

The brewer's beginning and ending inventory.

Beer manufactured.

Tax exempt sales (Defined Liq § 13 (a) of this chapter),

Taxable sales (Defined Liq § 13 (b) of this chapter).

(2)
(b) Taxable sales shall include:

(1) Beer sold to duly licensed retailers.

(2) Beer having not more than 3.2 per cent alcohol by weight sold to consumers as provided in Minn. St. Section 340.02, Subd. § 7.

Liq ~~40~~ 14

Liq ~~41~~ 15

Liq ~~42~~ 16

Liq ~~43~~ 17

Liq ~~44~~ 18 Retention of Records. All records as herein required shall be maintained in good order and readily accessible for a period of ~~two~~ four years.

~~Liq 46 Certain Information Confidential. Files and tax records of the commissioner which contain brand names and volume of business of the taxpayer shall be confidential, and shall not be obtainable by any member of the industry or the public, unless the brand owner, or taxpayer, or his authorized agent shall give written consent for release or the publication thereof. For the purpose of public revenues, enforcement and administration of the Liquor Control Act, and statistical summaries thereof, such files and records shall be available to the public.~~

Liq 20 - 21 - 23 Reserved For Future Use.

CHAPTER TWO IS AMENDED TO READ AS FOLLOWS:

CHAPTER ~~TWO~~ THREE ~~LIQ 17 - 29~~

Liq ~~17~~ 24

Liq ~~18~~ 25

(a) Minn. St. Section 340.11, Subd. ~~12~~ - 14 provides for a license fee for the manufacturer or wholesaler of distilled spirits and wine of ~~$3,000~~ $5,000 and such license shall be in effect for one year from the date of issuance. Minn. St. Section 340.12 provides for a coporate surety bond in the amount of $10,000 which shall accompany the license application and fee.

(b) The duplicate license fee for a manufacturer or wholesaler of distilled spirits and wine is ~~$2,500~~ $3,000 and such duplicate license shall be in effect and run concurrently with the period of the parent license. No bond is required.

Liq ~~19~~ 26 Out State Distiller, Rectifier, Winer or Wholesale Distributor License Fee. Minn. St. Section 340.113 provides for a license fee for any out-of-state distiller, rectifier, winer or wholesale distributor of distilled spirits, wine or ethyl alcohol of ~~$100~~ $150 and such license shall be in effect for one year from the date of issuance. No bond required.

Liq ~~20~~ 27 Exclusive Manufacturer or Wholesaler of Wine License Fee and Bond. In addition to the provisions of Liq ~~18~~ 25 (c) above, Minn. St. Section 340.11, Subd. ~~12~~ 14 provides for a license for the manufacturer or wholesaler of wine containing not more than 25 percent of alcohol by volume of ~~$300~~ $500 and such license shall be in effect for one year from the date of issuance. Minn. St. Section 340.12 provides for a corporate surety bond in the amount of $5,000 which shall accompany the license application and fee.

Liq ~~21~~ 28

Liq ~~22~~ 29 Minnesota Brewer License Fee and Bond. Minn. St. Section 340.402 provides for a license fee for a brewery manufacturing malt beverages containing more than 3.2 per cent of alcohol by weight of ~~$750~~ $1,000 and such license

shall be in effect for one year from the date of issuance. Minn. St. Section 340.403, Sub. 1 provides for a corporate surety bond in the amount of $5,000 which shall accompany the license application and fee.

Liq ~~23~~ 30 Wholesale Distributor of Malt Beverage License Fee and Bond.

(a) Minn. St. Section 340.402 provides for a license fee for a wholesaler of malt beverages containing more than 3.2 per cent of alcohol by weight of ~~$150~~ $200 and such license shall be in effect for one year from the date of issuance. Minn. St. Section 340.403, Subd. 1 provides for a corporate surety bond in the amount of $1,000 which shall accompany the license application and fee.

(b) Minn. St. Section 340.402 provides for a duplicate license fee for a wholesaler of malt beverages containing more than 3.2 per cent of alcohol by weight of ~~$10~~ $15 and such license shall be in effect and run concurrently with the period of the parent license. No bond is required.

(c) Minn. St. Section 340.02, Subd. ~~4~~ 5 provides for a license fee for a wholesaler of malt beverages containing not more than 3.2 per cent of alcohol by weight of $10 and such license shall be in effect for one year from the date of issuance. No bond is required.

Liq ~~24~~ 31 Out State Brewer License Fee and Bond. Minn. St. Section 340.493, Subd. 2 provides for a license fee for an out-of-state brewer or wholesale distributor of malt beverages of ~~$50~~ $100 and such license shall be in effect for one year from the date of issuance. The applicant shall file a corporate surety bond in the amount of not less than $1,000 and not more than $5,000; whatever sum shall be required by the Commissioner.

Liq ~~25~~ 32 Common Carrier License Fees and Bond.

(a) Minn. St. Section 340.11, Subd. ~~2~~ 3 provides for a license fee for a common carrier selling at retail distilled spirits and wine to passengers of ~~$50~~ $100 and such license shall be in effect for one year from the date of issuance. Minn. St. Section 340.12 provides for a corporate surety bond in the amount of $1,000 which shall accompany the license application and fee.

(b) The duplica● license fee for a common carri● selling at retail distilled spirits or wine to passengers is ~~$5~~ $10 and such duplicate license shall be in effect and run concurrently with the period of the parent license. No bond is required.

(c) The Sunday license issued by the Commissioner to common carriers as provided by Minn. St. 340.14, Subd. 5, (c) shall run concurrently with the period of the parent license. No bond is required.

~~(e)~~ (d)

~~(d)~~ (e)

Liq ~~26~~ 33

Liq ~~27~~ 34 Bottle Club Fees. Minn. St. Section ~~340.14, Subd. 3~~ 340.119 provides for a permit fee of $100.00 for private clubs and public places that qualify to permit their patrons to consume and display alcoholic beverages on the premises as covered by Chapter Ten of these regulations. Such permits shall be in effect July 1 through June 30 each year.

~~Liq 28--Minimum Consumer Price Fees.--Minn. St. Section 340.978 provides for an annual fee of $10.00 to cover cost of administering the Minimum Consumer Resale Price program to be paid by each licensed "off sale" retail dealer and "off sale" municipal liquor store.--Such fee shall be paid by July 1 of each year.~~

Liq ~~29~~ 35

~~(b)--Import alcohol permit.--Any person engaged in the manufacture or medicinal, pharmaceutical, antiseptic, flavoring extracts, syrups, food, scientific, chemical, mechanical, or industrial products, provided such products are unfit for beverage use, any municipal, county, or state agency, any scientific university or college of learning, any laboratory used exclusively for scientific research, or any hospital or sanatorium using or purchasing ethyl alcohol in quantities of thirty gallons or more shall apply to the Commissioner on form No. 42 for a permit to import ethyl alcohol from out of state distillers or wholesale distributors.~~

~~(i)~~ (h)

~~(j)~~ (i) Purchase alcohol permit. (1) Any person engaged in the manufacture of medicinal, pharmaceutical, antiseptic, flavoring extracts, syrups, food, scientific,

chemical, mechanical, or industrial products, which ~~PROVIDED such products~~ are unfit for beverage use, or (2) any municipal, county, ~~or~~ state agency, any ~~scientific~~ university, ~~or~~ college, ~~or learning, any~~ laboratory used exclusively for scientific research, ~~or any~~ hospital or sanatorium using ethyl alcohol in connection with ~~such~~ manufacture or research, ~~or institutions~~ shall apply to the Commissioner on form No. 81 for a permit to purchase ethyl ALCOHOL. ~~from Minnesota manufacturers or wholesale distributors, in quantities of less than thirty gallons.~~

Liq 36 & 37 Reserved for future use

CHAPTER THREE IS AMENDED TO READ AS FOLLOWS:

CHAPTER ~~THREE~~ FOUR ~~LIQ-30~~

LIQ ~~30~~ 38

(a) Sales to retailers. Manufacturers and wholesalers shall not sell at retail excepting only the privileges granted to breweries by Minn. St. Section 340.02, Subd. ~~5~~ 10 and 340.11 Subd. 15. Manufacturers and wholesalers and their respective employees shall not sell or deliver alcoholic beverages to any person, club, or business establishment unless the purchaser is licensed or authorized to sell the respective beverages at retail. A sale to an unlicensed retailer shall be a violation subject to penalties provided by law or regulations.

(b) Written invoices. Manufacturers and wholesalers shall furnish a written invoice to each retailer for the alcoholic beverages sold and delivered to said retailer; the invoice shall clearly identify seller and purchaser, date, quantity, and brand names of products sold and the prices. When there are joint purchases as provided for in Minn. St. 340.408 manufacturers and wholesalers shall, in addition to the above, itemize on the invoice each such retailer purchasing jointly or in lieu thereof shall invoice joint purchases to each retailer separately.

(d) Wholesale distributor of malt beverage monthly reports. Monthly informational reports required. See Chapter ~~One~~ Two, Liq ~~12~~ 16.

(f) Filing wholesale catalogs. Minnesota manufacturers and wholesale distributors of distilled spirits and wines shall file with the Commissioner a catalog or list of all such products which they offer for sale in this state showing brand names and 1 case wholesale prices before such products are sold to the retail dealers. ~~Additions to and deletions from the list and price changes shall be filed in the same manner as the original list.~~ Such catalogs or lists shall remain permanent until amended by the wholesaler. Any amendments to the permanent catalog or list shall be filed on the 10th day of each month. Note: (Catalogs or lists will be used as a correlation between the permanent filed 1 case price and the filed "Varying Volume Price" (discount) schedule as provided for by Minn. St. 340.983.

(g) Price Posting "Varying Volume Prices" (discounts) and amendments.

/ (1) Each manufacturer or wholesaler who sells or distributes distilled liquor or wine in this state to retailers shall file and maintain with the department in quadruple and in such form as the department shall prescribe, a written price schedule showing the "Varying Volume Prices" (discount) offered by such persons to retail licensees within the state.

(2) Such schedules shall be filed by eligible licensees at the time their license is issued and before any sales are made, and shall be effective immediately upon filing with the department. When a manufacturer wholesaler license is transferred from one legal entity to another, new 1 case price schedules and any "Varying Volume Price" (discounts) schedules shall be submitted by the new license entity before any sales are made. Such schedules shall become effective immediately upon filing with the department.

(3) "All Varying Volume Price" (discount) schedules shall be filed with the department on the tenth day of each month, and the schedule shall be effective from that day until the tenth day of the next month, provided that any filing may be amended within five days after its filing.

(4) Amendements to "Varying Volume Price" (discount) schedules may be deposited in the United States Mail, addressed to the department or placed on file with the department after the tenth day of the month however on or before the fifteenth day of the month to become effective on the sixteenth day of the month and to remain so until the tenth of the following month.

(5) For any month for which amendements are not filed by the deadline, the "Varying Volume Price" (discount) schedule previously filed shall remain in effect. For any month for which a "Varying Volume Prece" (discount) schedule is not filed by the deadline the last such filed schedule shall remain in effect.

(6) The word brand as used herein means "brand, trade mark, label, or name". And if an additional secondary name or a different form of label is used each will be considered to be a separate brand.

(7) For purposes of this regulation, purchasers who are licensed as common

carriers and military units qualified as government instrumentalities are not to be deemed "Retailers".

(8) No wholesaler of distilled spirits or wine shall file a catalog or list of one case prices, a "Varying Volume Price" (discount) schedule or an amended "Varying Volume Price" (discount) schedule on which is shown a selling price per case at less than the cost thereof to such wholesaler. Cost shall include FOB price from importer, freight, state and federal taxes and duty on imported merchandise.

(9) An amended "Varying Volume Price" (discount) may be filed at below the wholesalers cost, when such prices are filed to meet, in good faith, prices filed with the department on similar distilled spirits and wine by a competing wholesaler.

(10) Any manufacturer or wholesaler can meet competitive prices on the same or similar distilled spirits and wine by mailing or filing with the department on or before the fifteenth day of any calander month, an amendment to his effective "Varying Volume Price" (discount) schedule which lowers his price or prices per case or increases his quantity discounts. Such amended price schedule shall become effective at the same time the competitive price for the same or similar item of the same or competitive brand shall become effective, or immediately if such competitive price schedule shall have become effective.

A quantity discount filed to meet competition may not be filed in an amount that would reduce the net price of the brand, type or size container below the net price of the competitive brand for the same quantity.

(11) Wine may not be offered on original or assorted cases with distilled spirits or vice versa, and any quantity discount may not exceed 300 bottles of quarts or smaller bottles, or the equivalent of any authorized standard of fill not to exceed 25 cases.

(12) All permanent prices, "Varying Volume Prices" (discount) and amended "Varying Volume Prices" (discount) are public record.

(13) All "Varying Volume Prices" (discounts) and or their filed amendments must be understandable and enforceable by the department. If the department finds such filings to be not understandable and not enforceable, they will be rejected

By the sixteenth day of the month, setting forth the reasons for the rejection.

(14) Any filing licensee who publishes, mails, delivers, distributes advertises or in any other way directly or indirectly, disseminates distilled spirits and or wine information on one case permanent prices, "Varying Volume Price" (discounts) or amended "Varying Volume Price" (discounts) for any brand, to retailers served by him, shall, in any such material, include all such discounts filed by him for such brand, and shall disseminate such information to all retailers served by him.

(15) The publication mailing or delivering of any written material containing less than all of the "Varying Volume Price" (discounts) posted for any brand by a filing licensee shall be deemed a violation of this regulation.

(16) The mailing or delivering of written lists of "Varying Volume Price" (discounts) to selective retailers rather than to all retailers served by the filing licensee shall be deemed a violation of the regulation.

(17) The publication of one case permanent prices and all "Varying Volume Prices" (discounts) schedules filed with the department by a filing licensee, on or before the effective date thereof, in any trade journal or industry price book of general circulation among retailers, shall be deemed sufficient compliance with the provisions of subparagraphs (14), (15), (16) of paragraph (g).

(18) This regulation does not apply to a licensees salesman who has in his possession a "Varying Volume Price" (discount) schedule, and from which he orally informs a retailer as to "Varying Volume Price" (discounts) filed with the department.

(19) Any manufacturer or wholesaler may at any time file with the department written price schedules showing the one case price and the "Varying Volume Price" (discount) offered on any new brand, to become effective immediately.

(20) Whenever the tenth day of the month or the fifteenth day of the month falls on a Saturday, Sunday or a legal holiday, the distilled spirits and wine schedules required to be filed with the department shall be received by the department not later than the close of the next business day. Consequently, this will extend the 1 case price and the amended filings five days from the first business day

when the 1 case price and the "Varying Volume Prices" (discounts) are received in this office, however, the next months filings will be filed on schedule as provided for by Statute and Regulations.

(21) Pursuant to an order issued by the department any price filings may be changed at any time to reflect changes in Federal or State Excise Taxes on distilled spirits and wine. Or to comply with the requirements of any order issued by the Federal Government relating to price control.

(22) All manufacturers and wholesalers sales to retailers, whether it be individual or joint sales, shall ship every such sale in the full amount at one time during the month of that sale.

(23) Manufacturers or wholesalers close out sales. Any manufacturer or wholesaler who desires to close out a brand or type of distilled spirits or wine below his cost for such products, shall apply to the Commissioner to do so. Permission will be granted at the discretion of the Commissioner, when the merchandise has been owned and possessed for a period of at least six months. All such authorized closeouts shall be so noted as close outs on the filed "Varying Volume Price (discount) schedule. Any manufacturer or wholesaler who closesout a brand or type of spirits or wine may not restock such product for a period of twelve months.

(24) If any paragraph, sentence, clause or phrase of this regulation is for any reason declared invalid, such decision shall not affect the validity of the remaining provisions of this regulation.

~~(g)~~ (h)

~~(h)~~ (i) Sales discrimination forbidden. Manufacturers and wholesale distributors shall not discriminate in the sale of their products to retail dealers except that manufacturers or wholesale distributors may refuse to sell intoxicating liquor or non-intoxicating malt liquor to a retail dealer who may have violated any law, Commissioners regulation, or municipal ordinance relating to the sale of such liquor at retail, or who has breached a contract for sale with the manufacturer or wholesaler. Upon notice from the Commissioner manufacturers and wholesale distributors shall not sell intoxicating liquor or non-intoxicating malt liquor to any "on-sale" or "off-

sale" licensee who refuses to sell or serve alcoholic beverages to any person because of race, color, nation origin, or who discriminates in the selection of its membership on the basis of race, color, or national origin.

~~(i)~~ (j)

~~(j)~~ (k) Container limitation. No manufacturer or wholesale distributor shall sell distilled spirits to retailers in containers holding more than 32 64 ounces nor less than 8 ounces, except wine may be sold in containers holding 1/20 gallon (6 2/5 oz.) to on and off sale licensees.

(1) Miniature containers shall be sold only to licensed common carriers for dining facilities and licensees who have approved dispensing devices.

~~(k)~~ (l)

~~(l)~~ (m)

~~(m)~~ (n)

~~(n)~~ (o)

~~(o)~~ (p) ~~Out-state licensees reports and records.-- Out of state manufacturers and wholesale distributors who are holders of Minnesota Import Licenses as provided by Minn. St. Section 340.113 and ship into Minnesota distilled spirits and wine shall maintain records showing case or barrel serial numbers in reference to all such transactions.~~ Withdrawal of distilled spirits and wine from wholesalers by their employees and distillers or winers representative. No persons employed by importers, distillers, rectifiers, winers, Minnesota licensed manufacturers or wholesalers, shall withdraw distilled spirits or wine from the premises of manufacturers or wholesalers unless such requisition has been approved by the Commissioner on a form prescribed by him.

Liq 39 and 40 Reserved for future use.

CHAPTER FOUR IS AMENDED TO READ AS FOLLOWS:

CHAPTER ~~FOUR~~ FIVE: LIQ ~~31~~ 38

Liq ~~31~~ 41

Liq ~~32~~ 42

(h) No applicant shall refuse to serve alcoholic beverages to any person because of race, color or national origin, and no applicant shall discriminate in the selection of its membership on the basis of race color or national origin.

Liq ~~33~~ 43 Limited Number To Be Granted. Retail liquor licenses shall be granted only in number and combination with other business prescribed in the statute as follows: (Clubs not limited in number)

(a) "On-Sale" retail liquor licenses:

	Population Last Federal Census	Maximum Number	Combination Business
First Class Cities	Over 100,000		
Minneapolis		200	Hotels, ~~Clubs~~
St. Paul		200	Restaurants or
Duluth		71	Exclusive Liquor
Second Class Cities	20,000 but not over 100,000	~~15~~ 18 (Plus 1 license for 2,500 pop. after 45,000)	Hotels, Clubs Restaurants or Exclusive Liquor
Third Class Cities and Villages	Over 10,000 but not over 20,000	~~10~~ 12	"
Fourth Class Cities and Borough	Under 10,000	~~5~~ 7	"
"	~~Under 5,000~~	~~5~~	~~Hotels, Clubs or Exclusive Liquors~~
Villages	5,000 to 10,000	~~5~~ 6	Hotels, Clubs, Restaurants or Exclusive Liquors
"	2,500 to 5,000	~~4~~ 5	"
"	500 to 2,500	~~3~~ 4	"
"	Under 500	~~2~~ 3	"

The above summary of the statute is subject to several acts which have local application, as noted in the text of the statute.

(b) "Off-Sale" retail liquor licenses:

First Class Cities	(1 for 5,000)			
Minneapolis		104	Drug Stores	$250--not
St. Paul		62	General Food,	including
Duluth		~~31~~ 20	Exclusive Liquor (Off)	occupational tax

(c) "On-Sale" retail liquor licenses:

Counties	Regardless of Rural Population Plus 1 additional license for each 2,000 population or major fraction thereof.	3 licenses	Restaurants seating a minimum of 100

(d) "Split Liquor" "On-Sale" Liquor licenses.

Municipalties operating retail liquor stores who have authorized by vote	Population Last Federal census	Maximum Number	Combination Business
"Split Liquor" Cities, Villages and Bouroughs	Over 10,000 Pop.	6	Hotels & Restaurants
	5,000 to 10,000 Pop.	4	"
	Under 5,000 Pop.	3	"

If the maximum number of "On-Sale" licenses are issued as above stated, then Municipal "Off-Sale" must be discontinued.

Liq ~~34~~ 44 Applications, "On-Sale." Applicants for "on-sale" retail liquor licenses shall file a written, verified application with all questions fully answered with the municipal clerk or county auditor. They shall also file a bond as required by statutes. Forms shall be furnished by themunicipal clerk or county auditor.

(b) The description shall be stated as numbered street address or the description of the lot, block, ~~and~~ addition, or township.

(c) If the description in (a) covers a building with more than one story or rooms which are used for business purposes other than those permitted to be in combination with the license as outlined in Liq ~~33~~ 43 of this chapter, then the description shall specify the floor and the space to which the license shall apply.

(d) No license shall be granted for any premises with inside acess to another business establishment unless the combination is permitted under liq ~~33~~ 43 of this chapter of the Liquor Control Act.

(e) The license bond shall be a sum of $3,000.00 to $5,000.00. As alternatives the applicant may post a deposit of cash, United States bonds, or liability insurance policy acceptable to the Commissioner in lieu of the corporate surety. However bond or alternatives shall apply uniformily to each retailer in each municipality or county.

Liq ~~35~~ 45 Applications. "Off-sale" and certain "on-sale". All "off-sale", club"on-sale" and County on-sale retail liquor licensesissued in the state shall be submitted to the Commissioner for final approval. ~~"On-Sale" retail liquor licenses issued in accordance with the provisions of Minn. St. Section 340.11, Subd. 8, and Laws 1965, Chapters 409 and 410 shall also be submitted to the commissioner for approval.~~ Without the Commissioner's approval, said licenses shall not be effective.

(a) The Commissioner shall furnish application blanks, bonds and license forms for "off-sale" County on sale and club retail liquor licenses to the clerk or County Auditor of the respective municipalities or counties.

(b) The applicant for license shall prepare the application form and bond in duplicate and file them with the clerk, or County Auditor who shall read them to determine that all questions are answered completely and the forms are properly executed.

(d) After approval, the clerk shall forward to the Commissioner in St. Paul, Minnesota, the following items:

(1) One copy of the license certificate ~~-~~ for"off-sale, club, or County "On-sale".

(2) Two ~~"off-sale"~~ application forms for "off-sale", club, or county on sale, ~~-~~ fully executed by the applicant.

(3) Two ~~"off-sale"~~ bon forms for "off-sale", club, or county on sale, approved on the reverse side by a member of the governing body.

(5) One "on-sale" license form #100-A for Sunday Sales.

~~(5)~~ (6) A notarized copy of the minutes of the meeting held by the governing body establishing when the application was approved.

~~(6)~~ (7)

(f) After consideration and approval of the license, the Commissioner will retain one copy of the application and one copy of the bond in his files. The new license certificate with his endorsement of approval, one copy of the application and one copy of the bond will be returned to the clerk or Auditor. Such documents shall be retained by the issuing authority for a period of six years after the date of expiration of the license.

Liq ~~36~~ 46 Change of Location. The location of business of a retail liquor licensee may be changed subject to the approval of the municipal council and the Commissioner ~~in cases of "off sale" licenses.~~ Application for change in location shall be in writing, accompanied by a written statement from the bonding company consenting to the change in location.

Liq ~~37~~ 47

Liq ~~38~~ 48

Liq 49 Reserved for future use.

CHAPTER FIVE IS AMENDED TO READ AS FOLLOWS:

CHAPTER ~~FIVE~~ SIX LIQ ~~39~~ 53

Liq ~~39~~ 50

Liq ~~40~~ 51 Identification Card Required. Retail dealers shall obtain a retal dealer's identification card from the Commissioner as provided in Liq ~~29~~ 35 (b) of Chapter ~~two~~ three. Such card shall be presented when purchasing intoxicating liquor from authorized sales representatives.

Liq ~~41~~ 52 Purchase from Licensed Manufacturers, Etc. All retail dealers shall purchase their stock of alcoholic beverages only from duly licensed Minnesota manufacturers, brewers and wholesale distributors. Retail dealers may purchase intoxicating liquors from other retail dealers only under the conditions stated in Liq ~~53~~ 64 of this Chapter.

Liq ~~42~~ 53

Liq. ~~43~~ 54 Stock Shall have Certification Labels Affixed. Retail dealers shall verify that their stock of distilled spirits, sparkling wines, or still wines shall have affixed to the cartons the designated certification labels, and that such labels shall be affixed in accordance with the number of containers in each case. ~~as provided in Liq 3 (b)~~

Liq ~~44~~ 55

Liq ~~45~~ 56 "On-sale" Dealers

(a) Containers--minimum quantities. No "on-sale" dealer shall purchase or possess distilled spirits in containers of less than one-fifth gallon. Containers of less than one-fifth of a gallon shall be subject to confiscation. provided, miniatures containing not more than two ounces may be purchased for dispensing devices, the use of which has been specifically approved by the Commissioner.

~~(b) Empty containers--destruction. Containers of distilled spirits when emptied in an "on-sale" establishment, shall be destroyed to the extent that no further use can be made thereof.~~

~~(c)~~ (b) Liquor to be consumed on premises. "On-sale" licensees shall sell intoxicating liquor to lawful consumers by the drink for consumption on the premises only. For purposes of this regulation the sale of miniatures in approved dispensing devices shall be considered sale by the drink.

~~(d)~~ (c) Display forbidden. No "on-sale" liquor establishment shall display any intoxicating liquor when open to the public during hours when the sale of such liquor is prohibited by law, except as provided by Minn. St. ~~340.14, Subd. 3,~~ 340.119

~~(e)~~ (d)

~~(f)~~ (e)

~~(g)~~ (f) Containers must be visible to public. All containers from which alcoholic beverages are sold or dispensed shall be clearly visible to the consuming public, except that malt beverages may be dispensed by tap from the keg when the keg itself is not in sight, and miniatures may be dispensed by approved mechanical devices, provided that the brand label appears on the tap handle or device. No container of intoxicating or malt liquor shall be dispensed from any mechanical or coin operated device, unless said device can be operated in full compliance with all provisions of state law and the regulations of the Commissioner and has been specifically approved for operation by the Commissioner. The Commissioner may impose such conditions as he deems necessary for any such approval and the failure to meet said conditions or the violation thereof shall terminate any approval.

Liq ~~46~~ 57

Liq ~~47~~ 58

Liq ~~48~~ 59

Liq ~~49~~ 60

Liq ~~50~~ 61

Liq ~~51~~ 62

Liq ~~52~~ 63

Liq ~~53~~ 64

Liq 65 Reserved For Future Use.

CHAPTER SEVEN IS AMENDED TO READ AS FOLLOWS:

CHAPTER ~~SEVEN~~: EIGHT LIQ ~~60-67~~

Liq ~~60~~ 71

(a) Any alcoholic beverages not registered as provided by Minn. St. 240.62 and Chapter Eight hereof and not located on a Minn. licensed wholesalers premises shall be confiscated.

Liq ~~61~~ 72

Liq ~~62~~ 73 Registration.

(b) A duplicate set of front and back labels, and any other labels to be affixed to the containers. In the case of imported wines and distilled spirits, the name and address of the importer must be shown on the label.

(d) ~~One~~ Two labeled and sealed containers of malt beverages for analysis by the Commissioner.

(e) A complete signed chemical analysis of the product and a verified statement that the product to be sold under the label will correspond in all respects with the sample and analysis.

Liq ~~63~~ 74

Liq ~~64~~ 75 Abandonment. Any brand of alcoholic beverage for which Minnesota importation has been discontinued for two years or which has been abandoned shall not be imported in this state unless the brand label is re-registered in the manner provided in Liq ~~62~~ 73 In the case of fermented malt beverages, it is required that the brand label registrant submit a letter to this office each month indicating the brands of beer shipped into and/or sold in the State of Minnesota.

Liq ~~65~~ 76

Liq ~~66~~ 77

Liq ~~67~~ 78

Liq 79 Reserved for future use.

CHAPTER EIGHT IS AMENDED TO READ AS FOLLOWS:

CHAPTER ~~EIGHT~~: NINE LIQ ~~68-74~~

Liq ~~68~~ 80

Liq ~~69~~ 81

Liq ~~70~~ 82

Liq ~~71~~ 83 Manifest or Invoice. Minn. St. Section 340.485, Subd. 3 provides that importers of distilled spirits, wines, ethyl alcohol or sacramental wine shall prepare a manifest in quadruplicate on forms prescribed by the Commissioner for each shipment into Minnesota, and shall forward the manifest to the Commissioner ~~at~~ prior to the time of shipment.

Liq ~~72~~ 84 Transportation.

(a) All common carriers except railroads, their motor affiliates and public water transportation carriers, shall obtain a permit as provided in Liq ~~29~~ 35 (d), for each vehicle used to transport alcoholic beverages into Minnesota.

~~(b) Common carriers shall notify the Commissioner of the arrival of every shipment of distilled spirits and wine before delivery to the consignee. When shipment is pooled the carrier shall notify the Commissioner of the individual shipments comprised therein.~~

~~(c) Common carriers shall not release any shipment of distilled spirits or wine to the consignee except with the consent and under the direct supervision of the Commissioner's authorized agent.~~

~~(d)~~ (b)

~~(e) No common carrier or any employee thereof shall release sacramental wine or ethyl alcohol to any consignee unless authorized by an agent of the Commissioner or unless such consignee submits to the carrier a manifest signed by the Commissioner authorizing such release.~~

Liq ~~73~~ 85

Liq ~~74~~ 86

Liq 87 Reserved for future use.

CHAPTER NINE IS AMENDED TO READ AS FOLLOWS:

CHAPTER ~~NINE~~ TEN: LIQ ~~75-87~~

Liq ~~75~~ 88 Distilled Spirits General Requirements. ~~Title 26~~, Code Federal Regulations ~~(1954) Part 182~~ for ethyl alcohol; ~~Part 220 for~~ distilled spirits; ~~Part 221 for~~ brandy; and ~~Part 235 for~~ rectification of distilled spirits, are hereby adopted as the regulations for standards of identity and labeling requirements for containers of distilled spirits sold within the state, insofar as such Federal regulations or amendments thereto are not contrary to or inconsistent with the provisions of Minn. St. Chapter 340 or this regulation of the Commissioner, including standards of fill.

Liq ~~76~~ 89

Liq ~~77~~ 90

Liq ~~78~~ 91

Liq ~~79~~ 92 Standards of Fill for Distilled Spirits

1 quart	4/5 pint
4/5 quart	1/2 pint
1 pint	Miniatures containing not more than 2 ounces ~~(for common carriers only)~~

Tolerance in the herein described standards of fill may be allowed by the Commissioner for distilled spirits imported from foreign countries and for domestic cordials.

Liq ~~80~~ 93 Wine General Requirements. ~~Title 26,~~ Code Federal Regulations ~~(1954) Part 240~~ for wine is hereby adopted as the regulation for the standards of identity and labeling requirements for containers of wine sold within the state, insofar as Federal regulations or amendments thereto are not contrary to or inconsistent with the provisions of Minn. St. Chapter 340 or this regulation of the Commissioner, including standards of fill.

Liq ~~81~~ 94

Liq ~~82~~ 95

Liq ~~83~~ 96 Malt Beverages General Requirements. ~~Title 26,~~ Code Federal Regulations ~~(1954) Part 245~~ for beer is hereby adopted as the regulation for the standards of identity and labeling requirements for containers of malt beverages sold within the

state, insofar as Federal regulations or amendments thereto are not contrary to or inconsistent with the provisions of Minn. St. Chapter 340 or this regulation of the Commissioner, including standards of fill .

Liq ~~84~~ 97

Liq ~~85~~ 98 Labeling Requirements and Alcoholic Content.

~~(a) When a brewer sells beer containing more than 3.2% of alcohol by weight and beer containing less than 3.2% of alcohol by weight under the same brand label, the bottle caps or crowns for the two products shall be imprinted with two different, readily distinguishable colors or designs.~~

~~(b)~~ (a)

~~(c)~~ (b)

~~(d)~~ (c)

~~(e)~~ (d)

Liq ~~86~~ 99

(b) Unsealed returnable cases of bottles need no external marking to identify alcoholic content, if opening without breaking furnishes direct view of bottle ~~caps or labels~~ which identify the alcoholic content pursuant to this requlation.

Liq ~~87~~ 100

Liq 101 Reserved for future use.

CHAPTER TEN IS AMENDED TO READ AS FOLLOWS:

CHAPTER ~~TEN~~ ELEVEN: LIQ ~~88 91~~

Liq ~~88~~ 102 Permit Applications. Applicants for permits under Minn. St. ~~340.14,~~ Subd. ~~3,~~ 340.119, shall submit their applications on forms to be supplied by the Commissioner. ~~The Commissioner requires that said applications be approved or denied by authorities of the municipality involved before they will be considered. The time for the approval or denial by local authorities shall not exceed forty five (45) days.~~ Applications shall be submitted to the Commissioner, together with tender of the $100 fee in the form of a money order, bank draft, or certified check payable to the Liquor Control Commissioner, State of Minnesota.

Liq ~~89~~ 103 Disqualifications

(a) Federal tax stamps. No permit will be issued to holders of Federal Retail Liquor Dealer's Special Tax Stamps, as provided for in Minn. St. 340.119, Subd. 6. other than a duly licensed liquor retailer which is a business establishment as provided for in Minn. St. St. 340.119, Subd. 7. Answers to questions on the Commissioner's application form relating to such stamps will be compared with records in the Commissioner's office supplied by the Federal Internal Revenue Department.

(b) It shall be unlawful to consume or display, or allow consumption or display of intoxicating liquor on any premises of a ~~private~~ bottle club or ~~public place~~ business establishment between the hours of 1:00 A.M. and 8:00 A.M.

Liq ~~90~~ 104 Regulation of Establishments Granted Permits

(a) ~~Private~~ Bottle club. In clubs that qualify for a permit, bottles of intoxicating liquor may be left at the club bar by members for serving only to the owner-member and his bona fide guests, but said bottle or bottles shall not be stored at the bar in the owner's absence. Before the owner leaves the premises he shall remove his own bottle or bottles from the bar and place them in his individual locker, or take them from the premises.

(b) ~~Public places~~ Business Establishments. In any public place granted a permit, no bottle of intoxicating liquor shall be given to the bar attendant or any employee for serving to the owner of the bottle. All bottles in such ~~public places~~ business establishment shall be kept in plain sight by the owner and shall be in his possession

and under his control all times.

(c) No intoxicating liquor may be stored on the premises of any ~~public place~~ business establishment holding a permit under this section. The purchase of intoxicating liquor by a licensee, manager or employee of a ~~private~~ bottle club or ~~public place~~ business establishment acting as agent for the member or patron is prohibited

(e) The transfer of permits issued in accordance with Minn. St. ~~340.14~~ 340.119, ~~Subd. 3,~~ is prohibited unless such transfer is approved by the Commissioner. Any change in the location, ownership, or corporation will constitute a transfer for purposes of this chapter.

Liq ~~91~~ 105

Liq 106 Reserved for future use.

CHAPTER ELEVEN LIQ 92-102 IS REPEALED.

(MINIMUM CONSUMER RESALE PRICES DISTILLED SPIRITS AND WINE)

CHAPTER TWELVE IS AMENDED TO READ AS FOLLOWS:

CHAPTER TWELVE: LIQ ~~103-109~~

Liq ~~103~~ 107

Liq ~~104~~ 108 Purchase Requirements

(a) Pharmacists or druggists may obtain a permit from the Commissioner as provided In Liq ~~29-(i)~~ 35 (h) of Chapter ~~Twe~~ Three for the purchase of ethyl alcohol for the compounding of medicines.

(b) Pharmacists or druggists having a permit to sell medicinal liquors on prescription shall obtain from the Commissioner a Pharmacist's Identification Card as provided in Liq ~~29~~ 35 (b) of Chapter ~~Twe~~ Three. Such cards shall be presented when purchasing medicinal liquors from authorized sales representatives.

Liq ~~105~~ 109

Liq ~~106~~ 110 Records. Pharmacists or druggists licensed to sell medicinal liquor and alcohol, and alcohol for compounding of medicines, shall maintain a complete record of all purchases made and prescriptions filled for each month and shall make a report in duplicate on forms prescribed and furnished by the Commissioner. One notarized copy of said report, together with the original prescriptions, shall be submitted to the Commissioner before the 10th of the following month, and the second copy of the report shall be retained by the permittee. This section shall not apply if the amount of ethyl alcohol used for compounding purposes is less than one gallon per month. ~~See Chapter Thirteen, Liq 119.~~

Liq ~~107~~ 111

Liq ~~108~~ 112

Liq ~~109~~ 113

Liq 114 Reserved for future use.

CHAPTER THIRTEEN IS AMENDED TO READ AS FOLLOWS:

CHAPTER THIRTEEN: LIQ ~~110-119~~

Liq ~~110~~ 115 Importation for Resale. Minn. St. Section 340.113 provides that ethyl alcohol for industrial and non-industrial purposes, as hereinafter defined, may be imported into the state by duly licensed Minnesota manufacturers or wholesale distributors for resale to persons holding permits issued by the Commissioner to purchase such ethyl alcohol, or by persons holding permits issued by the Commissioner authorizing the importation of ethyl alcohol as provided in Chapter ~~Two~~ Three.

Liq ~~111~~ 116 Importation Limited. The shipping of ethyl alcohol into the state shall be limited to distillers and wholesale distributors holding import licenses issued by the Commissioner, and such persons in accepting orders for such products shall conform with liq ~~118~~ 122 of this chapter

Liq ~~112~~ 117 Importer's Report. Distillers and wholesale distributors in other states and Minnesota manufacturers, wholesale distributors, and common carriers shall report each shipment of ethyl alcohol to the Commissioner as provided by Liq ~~117~~ 121 and Liq ~~118~~ 122 of this chapter. ~~and Chapter Eight, relating to manifests and the release of distilled spirits by common carriers.~~

~~Liq 113 Importers Other Than Manufacturers and Distributors.--The importation into the state of ethyl alcohol by authorized persons other than Minnesota manufacturers or wholesale distributors shall be limited to containers consisting of thirty gallons or more, provided that this prescribed quantity shall not apply to premittees that are also holders of Federal tax free permits for the purchase of ethyl alcohol.~~

~~(a) Ethyl alcohol in quantities of less than thirty gallons shall be purchased only from Minnesota manufacturers and wholesale distributors.~~

Liq ~~114~~ 118

Liq ~~115~~ 119

Liq ~~116~~ 120

Liq ~~117~~ 121

Liq ~~118~~ 122

Liq ~~119~~ 123

Liq 124 Reserved for future use.

CHAPTER FOURTEEN: LI[redacted]20-121 IS REPEALED.

(HEARINGS AND PENALTIES)

AFFIDAVIT

I, Clarice le Ehrle, being duly sworn on oath deposes and says:

1) That she is an employee of the Liquor Control Department of the State of Minnesota.

2) That on the 10th day of December, 1973 she went to the Secretary of State's office for the State of Minnesota and requested a current list of all interested persons who had registered their names with the Secretary of State for the purpose of obtaining notices of public hearings relating to the promulgation of rules pursuant to Minnesota Statutes Section 15.0412 (1971).

3) That on the 10th day of December, 1973, in response to the above request, the Secretary of State provided her with such a list, a copy of which is attached hereto and incorporated by reference.

Further affiant sayeth not.

Clarice le Ehrle

Subscribed and sworn to before me
this 10th day of December, 1973.

Notary Public,
Dorothy C. Hansen County, Minnesota

My Commission expires _____

DOROTHY C. HANSEN
Notary Public, Hennepin County, Minn.
My Commission Expires June 11, 1980

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of Regulations of the State Liquor Control Commissioner Amending and Repealing Provisions of Liquor Regulations, Chapters 1 through 14, except Chapter 6 (Advertising) as amended, relating to, Taxes; Licenses and Permits; Duties and Restrictions upon Manufacturers, Wholesalers and Importers; issuance of Retail Licenses, Responsibility of Retailers; Brand Label Registration; Importation and Transportation; Identification, Labeling and Standards of Fill; Bottle Clubs; Minimum Consumer Resale Prices; Pharmacists, Druggists and Ethyl Alcohol; Ethyl Alcohol and Non-Beverage Use; Hearings and Penalties.

CERTIFICATE

I hereby certify that the attached 319 labels & one sheets constitute the complete list of interested persons who as of 1:30 o'clock P.M., this 10th day of December, 1973 have requested pursuant to Minnesota Statutes Section 15.0412, Subdivision 4 (1971), that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on the proposed adoption of regulations on the subject captioned above.

Secretary of State

Arlen I. Erdahl

By Gail Dion

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of Regulations of the State Liquor Control Commissioner Amending and Repealing Provisions of Liquor Regulations, Chapters 1 through 14, except Chapter 6 (Advertising) as amended, relationg to Taxes; Licenses and Permits; Duties and Restrictions upon Manufacturers, Wholesalers and Importers; Issuance of Retail Licenses, Responsibility of Retailers; Brand Label Registration; Importation and Transportation; Identification, Labeling and Standards of Fill; Bottle Clubs; Minimum Consumer Resale Prices; Pharmacists, Druggists and Ethyl Alcohol; Ethyl Alcohol and Non-Beverage Use; Hearings and Penalties.

AFFIDAVIT OF MAILING

I Clarice L Ehrler, being first duly sworn, deposes and says:

That on the 10th day of December, 1973, at the City of St. Paul, County of Ramsey, State of Minnesota, I he served the attached Notice of Hearing by depositing in the United States mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid, to all interested persons at the addresses listed on the attached Certificate of the Secretary of State as well as to all persons listed on the attached sheet as presently being members of the Minnesota Legislature.

Clarice L Ehrler

Subscribed and sworn to before me
this 10th day of December, 1973.

Dorothy C. Hansen

Notary Public,

DOROTHY C. HANSEN
Notary Public, Hennepin County, Minn.
My Commission Expires June 11, 1980

_____ County, Minnesota

My Commission expires _____

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE JOSEPH V. NOVAK
LIQUOR CONTROL COMMISSIONER

In the matter of the Proposed Adoption of Regulations of the State Liquor Control Commissioner Amending and Repealing Provisions of Liquor Regulations, Chapters 1 through 14, except Chapter 6 (Advertising) as amended, relating to, Taxes; Licenses and Permits; Duties and Restrictions upon Manufacturers, Wholesalers and Importers; Issuance of Retail Licenses, Responsibility of Retailers; Brand Label Registrations; Importation and Transportation; Identification, Labeling and Standards of Fill; Bottle Clubs; Minimum Consumer Resale Prices; Pharmacists, Druggists and Ethyl Alcohol; Ethyl Alcohol and Non-Beverage Use; Hearings and Penalties.

STATEMENT OF NEED

The above captioned proposed regulations are amendments to existing regulations of the Minnesota Liquor Control Department.

The need to consider whether any portion of the proposed regulations should be adopted arises due to the following:

Proposed Chapter 1 - Definitions of certain terms should be deleted because such terms are already defined by Statute.

Proposed Chapter 2 - Provisions should be amended to bring them into conformity with statutory changes in the amount of tax levied on distilled spirits, wines and malt beverages as provided by Minn. Laws 1973, Chapter 664. In addition, the provision in Chapter 2 regarding confidential information should be deleted in view of the public records statute. Minn. Stat. Sec. 15.17 (1971).

Proposed Chapter 3 - Provisions should be amended to bring them into conformity with statutory changes relating to license fees as provided by Minn. Stat. Secs. 340.11, 340.113, 340.402 and 340.493 (1971).

Proposed Chapter 4 - Provisions should be amended to augment Minn. Laws 1973, Chapter 664, amending Minn. Stat. Chapter 340 (1971), relating to joint purchases, wholesalers, price filings, and standards of fill.

Proposed Chapter 5 - Provisions should be amended to reflect statutory changes relating to the number of retail licenses issued by municipalities as provided by Minn. Stat. Secs. 340.07 and 340.11 (1971).

Proposed Chapter 6 - Provisions should be amended to augment Minn. Laws 1973, Chapter 664, amending Minn. Stat. Sec. 340.07, Subd. 5, which impliedly authorizes miniatures sold in dispensing devices.

Proposed Chapter 8 - Provisions should be amended to improve the administration of the registration of brand labels of alcoholic beverages by imposing certain

sanctions for non-registration of such beverages and requiring certain information on labels.

Proposed Chapter 9 - Certain provisions should be repealed which relate to the release and importation of alcoholic beverages as a result of the transfer of responsibility for the collection of excise taxes to the Department of Taxation.

Proposed Chapter 10 - Provisions should be amended to modify references to certain parts of the Code of Federal Regulations to correspond to recent changes in said Code dealing with standards of identity, labeling requirements and standards of fill.

Proposed Chapter 11 - Provisions should be amended to correspond to statutory changes relating to consumption and display permits.

Former Chapter 11 dealing with minimum consumer resale prices should be repealed since Minn. Laws 1973, Chapter 664, Section 10 repeals Minn. Stat. Secs. 340.97 through 340.987, (Fair Trade) (1971).

Proposed Chapter 12 - Provisions should be amended for purposes of re-numbering.

Proposed Chapter 13 - Provisions should be amended to facilitate the importation of ethyl alcohol and to coincide with amendments in proposed Chapter 3 of these regulations.

Chapter 14 should be repealed since procedures for hearings are covered under Minn. Stat. Chapter 15 (1971).

STATE OF MINNESOTA
LIQUOR CONTROL DEPARTMENT

Joseph V. Novak

JOSEPH V. NOVAK
LIQUOR CONTROL COMMISSIONER

STATE OF MINNESOTA

COUNTY OF RAMSEY

In the matter of the Proposed Adoption of
Regulations of the State Liquor Control Commissioner
Amending and Repealing Provisions of Liquor Regulations,
Chapters 1 through 14, except Chapter 6 (Advertising) as
amended, relating to, Taxes; Licenses and Permits; Duties
and Restrictions upon Manufacturers, Wholesalers and
Importers; Issuance of Retail Licenses, Responsibility of
Retailers; Brand Label Registration; Importation and
Transportation; Identification, Labeling and Standards of
Fill; Bottle Clubs; Minimum Consumer Resale Prices;
Pharmacists, Druggists and Ethyl Alcohol; Ethyl Alcohol
and Non-Beverage Use; Hearings and Penalties.

STATEMENT OF COMPLIANCE WITH

MANUAL OF RULE MAKING PROCEDURES

I, Assistant Attorney General Michael R. Gallagher, do hereby declare that I have examined the proposed rules and all related documents and that, based on them and my personal familiarity with the applicable procedures, the Manual of Rule Making Procedures has been followed. Any exceptions are noted below.

Michael R. Gallagher
Assistant Attorney General

Dated: March 22, 1974

STATE OF MINNESOTA

COUNTY OF RAMSEY

BEFORE JOSEPH V. NOVAK
LIQUOR CONTROL COMMISSIONER

In the matter of the Proposed Adoption of Regulations of the State Liquor Control Commissioner Amending and Repealing Provisions of Liquor Regulations, Chapters 1 through 14, except Chapter 6 (Advertising) as amended, relating to, Taxes; Licenses and Permits; Duties and Restrictions upon Manufacturers, Wholesalers and Importers; Issuance of Retail Licenses, Responsibility of Retailers; Brand Label Registration; Importation and Transportation; Identification, Labeling and Standards of Fill; Bottle Clubs; Minimum Consumer Resale Prices; Pharmacists, Druggists and Ethyl Alcohol; Ethyl Alcohol and Non-Beverage Use; Hearings and Penalties.

ORDER ADOPTING RULES

The above-entitled matter came on for hearing before the Liquor Control Commissioner of the State of Minnesota on the 14th day of January, 1974, at 9:00 A.M. in the Veterans Service Building, St. Paul, Minnesota, after proper notice required by Minn. Stat. 15.0412 (1971) was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having considered all of the evidence adduced and upon the records, files and proceedings herein, and applicable statutory standards or criteria, and having confirmed the need for the above captioned rules.

NOW, THEREFORE, IT IS ORDERED that these rules identified as Amendments to Liquor Regulations, Chapters 1 through 14, except Chapter 6, are adopted this 22nd day of March, 1974, pursuant to authority vested in me by Minn. Stat. 340.09 and 340.15 (1971), as amended by Minn. Laws 1973 ch. 664.

STATE OF MINNESOTA
LIQUOR CONTROL DEPARTMENT

Joseph V. Novak
Liquor Control Commissioner