

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File #648

Permanent Rule_____

Temporary Rule_____

RULES REVIEW CHECKLIST

DATE RULES RECEIVED 7/30 DUE DATE 8/19

Resubmitted and Received_____

a. Returned to Agency w/o Filing w/Secretary of State_____
b. Approved_____ Date Sent Back to Agency_____

- -

1. Rules as Adopted ✓
2. Rules as Proposed ✓ plus two sets of Amendments to Rules as Proposed
3. Certificate of Board's Authorizing Resolution, where applicable N/A
4. Order for Hearing ✓
5. Notice of Hearing 11.29.78 (!)
   Sufficiency ?
6. Secretary of State's List ✓ (one copy only)
7. Certificate of Acquisition of Secretary of State's List ✓ not submitted
8. Secretary of State's Certification of Delivery of Secretary of State's List to Agency ✓
9. Affidavit of Mailing ✓
   At least 30 days prior to hearing ✓
10. Publication in State Register ✓
    At least 30 days prior to hearing ✓
11. Statement of Need and Evidence ✓
12. Hearing Examiner's Report ✓
13. Agency's Findings of Fact ✓ incorporated in to #15-Order Adopting
14. Certificate of Board's Resolution Adopting Rules, where applicable N/A
15. Order Adopting ✓
16. Report of Chief Hearing Examiner ✓
17. Order Approving Incorporation by Reference, where applicable ✓
18. Certificate of Compliance with Rulemaking Procedures ✓
19. Copy of Notice of Intent to Solicit Outside Opinion, where applicable ✓ copy not submitted but see HE rpt P5(g) + Dept's Exh. P
20. Petition by Public, where applicable N/A

ADMIN 1000 (Rev. 1-78)
SF-00006-01

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT: ATTORNEY GENERAL

TO : CLYDE E. ALLEN, JR.
Commissioner of Revenue

DATE: August 19, 1980

Attn: C. HAMILTON LUTHER
Deputy Attorney General

FROM : JERRY S. ANDERSON
Special Assistant
Attorney General

PHONE: 296-1288

SUBJECT: In the Matter of the Proposed Adoption of Rules of the Department of Revenue Governing the Alcoholic Beverage Excise Tax

The rules in the above-entitled matter have not been approved by this office and are being returned for the following reasons.

1. Section 1.9001 D. In the second sentence, the "whcih" should be "which."

2. Section 1.9001 I. is duplicative of section 1.9001 H. and should be deleted.

3. Section 1.9002 A. apparently contains an improper statutory reference. The reference to Minn. Stat. sec. 340.461 apparently should be to Minn. Stat. sec. 340.47, as it was in the original material.

4. In section 1.9003 A., the word "contains" should be "containers."

5. Section 1.9011 E. 2. e. (2). The "C" on "Containing" should be lower case.

6. Section 1.9012 A. The "W" on "Wholesale" should be lower case.

7. Section 1.9012 D. The word "distributors" should be "distributor."

8. Section 1.9013 D. Because section 1.9006 E. was deleted from these rules, this section should also be deleted.

9. The "A." in the Comment on Common Carriers should be deleted.

Upon consideration of the comments made herein and remedial action, if any, these rules may be resubmitted to this office for review and approval. Please submit the original and at least two copies of the Order Adopting and the Adopted Rules. Also, please indicate in a transmittal memo that the rules are being resubmitted for our review.

Because none of the above comments go to legality or substantial change, but only to form, it is not necessary to return these rules to the Chief Hearing Examiner before resubmitting them to this office.

JSA/bw
Encl.
cc: Duane Harves
Susan Robertson

original

STATE OF MINNESOTA
DEPARTMENT OF REVENUE

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE DEPARTMENT OF REVENUE GOVERNING THE ALCOHOLIC BEVERAGE EXCISE TAX	))))	FINDINGS OF FACT AND ORDER ADOPTING RULES

The above entitled matter came on for hearing before a hearing examiner appointed by the Chief Hearing Examiner on the 29th day of November, 1978, at 9:30 A.M. in Converence Room A, First Floor Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota, after proper notice required by Minnesota Statutes, Section 15,0412 was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

Having now, therefore, reviewed the record of the hearing, including the exhibits and written materials submitted before the close of the record, the report of the Hearing Examiner, and materials submitted directly to me following my receipt of the hearing record, I now adopt, as my findings of fact in this matter, the Findings of Fact of the Hearing Examiner.

Now, therefore, it is ordered that these rules identified as rules of the Department of Revenue governing the alcoholic beverage excise tax as published at State Register, Volume 3, Number 16, pages 813 through 848, October 23, 1978 (3 S.R. 813-848) and as amended as shown in the attached Exhibit A are adopted this 18th day of September, 1979 pursuant to authority vested in me by Minnesota Statutes, Sections 340.485, Subdivisions 1 and 3; 340.492; and 340.47, Subdivision 2b.

State of Minnesota

Clyde E. Allen Jr.
CLYDE E. ALLEN, JR.
Commissioner of Revenue

HE report

STATE OF MINNESOTA)
(ss.
COUNTY OF RAMSEY)

AFFIDAVIT OF SERVICE

Steve M. Mihalchick, being first duly sworn, deposes and says that on the 9th day of January, 197, at the City of St. Paul, County of Ramsey, State of Minnesota, he served the attached Report of Hearing Examiner, DR-79-047-SM upon the Commissioner of Revenue,

by handing to and leaving the same with Dale Busacker, Attorney.

Steve M. Mihalchick

Subscribed and sworn to before me
this 9th day of January, 1978.

Eileen A. Gaovnik

EILEEN A. GAOVNIK
Notary Public, Ramsey Co., Minn.
My Commission Expires
December 14, 1980

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE COMMISSIONER OF REVENUE

In the Matter of the Proposed Rules
of the Department of Revenue Governing
the Alcoholic Beverage Excise Tax.
(13 MCAR §§ 1.9001 - 1.9017)

REPORT OF HEARING EXAMINER

The above-entitled matter came on for hearing in St. Paul on November 29, 1978, before Steve M. Mihalchick, Hearing Examiner.

This is a rules hearing pursuant to Minn. Stat. Ch. 15, to determine whether the proposed rules should be adopted.

Appearing for the Department of Revenue were Dale Busacker, Attorney; Howard Anderson, Director of the Alcohol, Tobacco and Special Taxes Division; Gerald Garski, Al Lindbeck, Frank Newman and John McDonald, Tax Examiners with the Division; and Bob Turnquist, Director of the Operations Auditing Division. Six persons attended the hearing and signed the hearing register.

Pursuant to Minn. Stat. § 15.0412, subd. 4, this Report shall be available for review to all affected individuals upon request for at least five days. Thereafter, the Commissioner of Revenue shall, if he proposes to adopt the rules as originally proposed or amended, submit a copy of the Order Adopting Rules, a copy of any additional agency findings, a copy of the rules as originally proposed, and a copy of the rules as adopted to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, subd. 4. The submission to the Chief Hearing Examiner shall precede review by the Attorney General. The Chief Hearing Examiner shall complete his review and submit his report to the Commissioner on the issues of substantial changes in the rule and compliance with Minn. Stat. § 15.0412 within ten calendar days. The Commissioner will be responsible for filing the rules with the Attorney General and for notifying persons who have indicated that they wish to be notified of such filing.

Based upon the record herein, the Examiner makes the following:

FINDINGS OF FACT

PROCEDURAL REQUIREMENTS

1. On September 29, 1978, the Department filed the following documents with the Chief Hearing Examiner:

   (a) A copy of the proposed rules.
   (b) The Order for Hearing proposed to be issued.
   (c) The Notice of Hearing proposed to be issued.
   (d) A Statement of the number of persons expected to attend the hearing and estimated length of the Agency's presentation.

2. On October 5, 1978, following a request from the Department, the Chief Hearing Examiner, pursuant to Minn. Stat. § 15.0412, subd. 4, approved the incorporation by reference in the proposed rules of the definition of wine found in cited federal regulations .

3. On October 23, 1978, a Notice of Hearing and a copy of the proposed rules were published at 3 State Register 815.

4. On October 23, 1978, the Department mailed the Notice of Hearing to all persons and associations who had registered their names with the Secretary of State for the purpose of receiving such notice.

5. On November 2, 1978, the Department filed the following documents:

(a) The Order for Hearing.
(b) The Notice of Hearing as mailed.
(c) The Affidavit of Mailing the Notice to all persons on the Secretary of State's list.
(d) The Secretary of State's Certificate and list.
(e) The Statement of Need and Reasonableness.
(f) A set of technical amendments to the rules as published in the State Register.
(g) Documents showing that the Department had published a Notice of Intent to Solicit Outside Opinion on April 10, 1978 at 2 State Register 1880; that invitations to representatives of affected segments of the alcoholic beverage industry to attend an open forum discussion on the proposed rules on April 28, 1978, had been sent; and that such a meeting was held and was attended by industry representatives.
(h) The names of Department personnel who will represent the agency at the hearing.

6. On November 8, 1978, the Department filed the following documents:

(a) The Affidavit of Receipt of the Secretary of State's list;
(b) A corrected Affidavit of Mailing of the Notice of Hearing showing the mailing date which had been omitted on the first affidavit filed;
(c) A copy of the former Department of Liquor Control Rules.

7. On November 20, 1978, the Department filed a second set of amendments to the rules as they had been published in the State Register.

The documents were available for inspection at the Office of Hearing Examiners from the date of filing to the date of the hearing.

8. The record remained open through December 6, 1978, for the receipt of written comments and statements. No comments were received.

9. At the hearing, the Department made available copies of the proposed rules, copies of the two sets of amendments that had been previously filed with the Office of Hearing Examiners (Exs. O and U), and copies of the Statement of Need and Reasonableness. After allowing persons attending the hearing to review those documents, the Examiner asked whether any person wanted the agency to make an oral presentation on any or all of the proposed rules. None did. The Examiner then asked whether any of the persons attending the hearing had any comments on or objections to any of the proposed rules. None did, and all indicated they were satisfied with the rules as proposed. Thereupon, the Agency restated its desire to rely upon the Statement of Need and Reasonableness as its affirmative presentation and the Examiner adjourned the hearing.

STATUTORY AUTHORITY

10. Minn. Stat. §§ 340.44 to 340.56 assess taxes upon intoxicating liquors and fermented malt beverages and impose certain requirements related to those taxes.

11. Minn. Stat. § 340.47, subd. 2b, grants the Commissioner of Revenue statutory authority to promulgate a rule, establishing the date and procedure for the conversion of the distilled spirits and wine excise tax computation and reporting requirements from rates expressed in gallons to rates expressed in metric volumes.

12. Minn. Stat. § 340.485, subds. 1 and 3, grant the Commissioner of Revenue statutory authority to prescribe rules concerning the form and information required on returns, the keeping of records, the rendering of reports, and necessary shipping documents, from a licensed manufacturer or wholesaler liable for the tax on wine or spirituous liquids.

13. Minn. Stat. § 340.492 grants the Commissioner of Revenue statutory authority to adopt rules for the reporting, paying, and collecting of the excise tax on fermented malt beverages.

FORM OF THE RULES

14. Even though no affected persons objected to any of the provisions of the proposed rules, the Examiner finds it necessary below to determine that the Department has failed to demonstrate that it has fulfilled substantive requirements of law. This is usually because the language proposed is not, legally, a "rule". That term is defined in Minn. Stat. § 15.0411, subd. 3, as: "Every agency statement of general applicability and future effect . . . made to implement or make specific the law enforced or administered by it. . . ." Rules, like any law, generally require or prohibit certain actions or set certain standards by which to measure certain actions or proposed actions of agencies, citizens and others. Several sections of the proposed rules, instead of implementing or making specific Minn. Stat. §§ 340.44 to 340.56, explain portions of the law in a magazine article. While this may be helpful to the affected industries and to the Department's personnel, it does not meet the substantive requirements of law for a rule.

13 MCAR § 1.9001 - INTRODUCTION

15. This proposed rule states that in 1976, responsibility for assessment and collection of excise taxes on alcoholic beverages was transferred from the Department of Liquor Control to the Department of Revenue; that the Department of Revenue currently has no rules relating to assessment and collection of these taxes; that Minn. Stat. Ch. 340 deals with intoxicating liquors; that the Department of Public Safety published rules that clarify all of Chapter 340 except §§ 340.44 to 340.56; that the proposed rules are meant to clarify those sections, and that all persons should first read Minn. Stat. Ch. 340 and the Department of Public Safety's rules in order to better understand the rules proposed here.

While each of the statements in this section is informational and may be helpful to some one, they do not meet the substantive requirements of the definition of "rule". The entire section should be deleted or identified as a comment to the rules.

complied with p. 1

13 MCAR § 1.9002 - DEFINITIONS

16. Rules contained in this section, as modified by the Department in its amendments, are necessary and reasonable for the reasons stated in the Statement of Need and Reasonableness. Generally, each of the defined terms is necessary in order to avoid confusion and to assure the proper computation and assessment of the taxes.

13 MCAR § 1.9003 - EXCISE TAX ON DISTILLED SPIRITS AND WINE

17. Section 1.9003 A. states:

> Distilled spirits and wine sold for beverage purposes in the state of Minnesota are subject to an excise tax. All wholesalers of distilled spirits and wines have to pay the tax to the Commissioner at the rates described in Minn. Stat. § 340.47. The wholesaler is responsible for paying the amount of this tax at the time distilled spirits and wine are removed from the inventory for sale, delivery or shipment, except for such tax exempt sales described in these rules.

The first two sentences are purely information, are not rules and should be deleted. The last sentence should then be rewritten to be more understandable, such as:

> Except for tax exempt sales described in these rules, wholesalers shall be responsible for paying the amount of tax levied on distilled spirits and wine by Minn. Stat. § 340.47 at the time the distilled spirits and wine are removed from inventory for sale, delivery or shipment.

see new language p. 4

18. The proposed rule then treats four special situations and provides guidance as to whether the tax is to be assessed or how it is to be computed. With one exception, these subsections are necessary and reasonable for the reasons given in the Statement of Need and Reasonableness. Section 1.9003 A.2., which states, "Miniatures are taxed at the rate specified in Minn. Stat. § 340.47, subd. 1a.", is again purely informational and not a "rule".

deleted, p. 5

19. The first sentence of § 1.9003 A.4. states:

> Alcoholic content to be used for excise tax purposes is to be the percent of alcohol by volume as shown on the label of the product.

The term "is to be" is unclear in this rule. It is apparently the intent of the Department to have this rule impose the requirement; in that case, the term should be "shall be". If that was not the intent of the Department, then this rule is purely informational and should be deleted. The term "is to be" or similar terms appear throughout the rules. In each instance, they should be changed to "shall be". Such a change would make it clear that those rules are imposing some requirements rather than referring to a requirement imposed elsewhere.

complied, p. 5

13 MCAR § 1.9004 - CERTIFICATION LABEL FEE.

20. The first two sentences of § 1.9004 A. are again purely informational, are not rules, and should be deleted. The remainder of this section will have to be reworded for clarity, but is necessary and reasonable for the reasons given in the Statement of Need and Reasonableness.

see new language p. 6

21. Section 1.9004 B. lists exemptions from the certification label fee. Four of the nine exemptions listed are restatements of statute, but the duplication of the language is crucial to the ability of persons affected by this section to comprehend its meaning and effect.

13 MCAR § 1.9005 - MONTHLY REPORT AND TAX RETURN FOR DISTILLED SPIRITS AND WINE.

22. Except for the use of the vague term "is to be", previously discussed, it is an excellent example of what a rule should be. It directly and succinctly states what the report shall contain and when and how it is to be filed. It is necessary and reasonable for the reasons given in the Statement of Need and Reasonableness.

13 MCAR § 1.9006 - MONTHLY REPORT FOR MANUFACTURERS, WHOLESALERS AND IMPORTERS.

23. This section deals with the monthly informational return required of persons shipping distilled spirits and wine into Minnesota by Minn. Stat. § 340.485, subd. 3. It is reasonable and necessary for the reasons given in the Statement of Need and Reasonableness to the extent that it describes the contents of the report and the requirements as to timely filing. However, the proposed rule also states:

> If this return is not filed, the Director is to notify the Department of Public Safety, Liquor Control Division, that the manufacturer, wholesaler or importer has not complied with the terms of his or her licensing agreement under Minn. Stat. § 340.113, subd. 2.

It is not clear from this language whether the director will, in fact, notify the Department of Public Safety. Again the words "is to" should be changed to "shall". If the Department intended such notification to be permissive, it could instead insert the word "may" and detail the factors upon which a decision would be made whether or not to report to the Department of Public Safety.

complied p. 11

13 MCAR § 1.9007 - RECORDS TO BE KEPT

24. With the following two exceptions, the rules proposed in this section are necessary and reasonable for the reasons given in the Statement of Need and Reasonableness.

25. Section 1.9007 C.2. requires wholesale distributors to maintain inventories and to file inventory statements on certain dates and certain forms. The rule allows a waiver as follows:

> Dates other than those mentioned above, special inventory forms and/or waiver of one inventory date are permitted if prior written approval is received from the director.

for new language, see p. 15

This particular provision does not fulfill the substantive requirements of law because it does not state the conditions or specify the standards under which the director willl grant the waiver. Under due process requirements, some standards must be specified.

26. Section 1.9007 E. states that the Commissioner or his employee can, by law, enter and examine all the required books, papers and records. The rule essentially restates the authority granted in Minn. Stat. § 340.51 though it does not restrict as the statute does, the time of entry to "reasonable hours". The Examiner cannot find that duplication of the language of the statute is crucial to the ability of a person affected by these rules to comprehend their meaning and effect. Therefore, under Minn. Stat. § 15.0412, subd. 1, it must be deleted. As a practical matter, persons in the alcoholic beverage industry are well aware of the statutory right of government agents to enter upon their premises at all reasonable hours for the purpose of inspecting.

deleted see p. 17

13 MCAR § 1.9008 - BONDS REQUIRED

27. Subsection 1.9008 A. first refers to the requirement of Minn. Stat. § 340.485, subd. 2, that wholesalers are required to file a surety bond. While this is informational, it is necessary to the remaining portions of the subsection which specifies that the period of the bond and its filing date and how they are to be filed. This section is reasonable and necessary.

28. Subsection 1.9008 B. states:

The amount of the bond is to be computed by the director. The amount is not to be more than two times the wholesaler's average monthly excise tax liability for the preceding calendar year. The bond for a new wholesaler is to be set at an amount not to exceed an estimated two-month tax liability.

This subsection does not fulfill substantive requirements of due process and fairness because it is unclear. The statute already says that the penal sum of the bond will be determined by the Commissioner and may not exceed two times the average monthly liability for the preceding calendar year or estimated two-month tax liability. The proposed rule adds nothing to the statute and, contrary to an assertion in the Statement of Need, does not detail the procedure used to compute the amount of the bond. The rule should be modified to state how the bond amount is determined and what standards are used. If the bond amount is always set at two times the average monthly tax liability, it should state that. If it is set at less than that, it should state when and why.

see p. 19 for changed language

29. Subsection 1.9008 C. states in part:

"The director may, upon written application from the wholesaler, waive this bonding requirement. In place of the bond, the director may permit a certified check to be used."

These two sentences are unclear. Under what conditions will the director waive the bonding requirement. If he does waive it, will he always require a certified check to be used? The rule should be clarified. From the Statement of Need, it appears that this subsection was intended as an alternative to the bond and not as a waiver of the bond. If that was the intent, the two sentences set out above could be changed to read:

changed see p. 19

In lieu of the bond required above, a certified check may be filed with the director.

This procedure is reasonable for the reasons given in the Statement of Need and Reasonableness. It provides protection to the State and is less costly for some wholesalers than a bond.

13 MCAR § 1.9010 - EXCISE TAX ON FERMENTED MALT BEVERAGE

30. This section implements Minn. Stat. § 340.47, subd. 2, and lists five exemptions from the tax. Three of the five appear in the statute but it is necessary and crucial to repeat them within the rule where other exemptions are listed so that the list is complete and meaningful. This rule is necessary and reasonable for the reasons stated in the Statement of Need and Reasonableness.

13 MCAR §§ 1.9011, 1.9012 and 1.9013 - REPORTS AND RECORDS RELATING TO FERMENTED MALT BEVERAGES.

31. These three rules describe in detail the necessary reports and records and requirements related to their filing and maintenance. They are necessary and reasonable for the reasons given in the Statement of Need and Reasonableness.

13 MCAR § 1.9015 - COMMON CARRIERS

32. This section is explanatory in nature in that it explains the requirements of various sections of the statute in regard to common carriers being licensed to sell intoxicating liquors to passengers, the fact that such common carriers may purchase intoxicating liquors and fermented malt beverages from Minnesota wholesalers on a tax-exempt basis, and that they

then become liable for the excise tax on alcoholic beverages sold within the state. The Statement of Need asserts that this section is needed as a preface to the next section which describes how the common carrier is to pay the tax. However, this proposed rule does not fulfill the substantive requirements of law for a rule. It imposes no requirements that do not already exist in the statute. The Department may label this section as a comment and have it printed with the rules in the Minnesota Code of Agency Regulations, or it may delete it entirely.

labeled as "comment" p. 27

13 MCAR § 1.9016 - MONTHLY REPORT AND TAX RETURN FOR COMMON CARRIERS

33. This section details the contents of the report that must be filed with the Commissioner and the time required for filing. It permits the common carrier to use an allocation formula to determine the amount of total sales within the state upon the basis of passenger miles or, if approved by the Director, some other method of allocation. The rule provides that the director may approve the plan if he is convinced that the allocation properly apportions the sales to the respective states. That is an appropriate standard by which the Director will exercise his discretion, but the word "may" should be changed to "shall". Otherwise, the Director's discretion is unfettered, and the rule is impermissibly vague. In all other respects, this section is necessary and reasonable for the reasons given in the Statement of Need and Reasonableness.

complied p. 29

C O N C L U S I O N S

1. Due, timely and adequate notice of the hearing was properly served and published by the Department. All procedural requirements of law and rule have been fulfilled.

2. The Department has demonstrated its statutory authority to adopt the proposed rules.

3. Except as noted in the Findings, the Department has demonstrated that its proposed rules fulfill the substantive requirements of law and rule.

4. The Department has demonstrated the need for and reasonableness of the proposed rules and modifications by an affirmative presentation of facts.

5. The modifications to the proposed rules made by the Department are not substantial changes.

6. The modifications suggested by the Hearing Examiner are not intended to in any way preclude the Department from making its own non-substantial changes and improvements to the proposed rules.

R E C O M M E N D A T I O N

The Hearing Examiner recommends that the proposed rules be modified as suggested in the Findings and that so modified, they be adopted.

Dated this 8th day of January, 1979.

STEVE M. MIHALCHICK
Hearing Examiner

APPENDIX

EXAMPLES AND EXHIBITS.

Following are examples of the properly completed reports that must be sent in to the Department of Revenue. The forms are offered for purposes of illustration only. Minor changes or revisions may be made in the forms from time to time. However, these changes should not affect the illustrative purpose of these rules. If major changes are made, a new example will be inserted into the regulations. All forms used in the administration of the Minnesota excise tax on alcoholic beverages are available from the Division.

LB Form 50 (Rev. 10/77)

MONTHLY REPORT OF DISTILLED SPIRITS AND WINES (METER)

☒ WHOLESALE ☐ PRODUCTION Page 1

For Department Use Only

Check _____

Cash _____

Rec'd _____

Rec'd by Cashier _____

MINNESOTA DEPARTMENT OF REVENUE
ALCOHOL, TOBACCO AND SPECIAL TAXES DIVISION
Centennial Office Building
St. Paul, Minnesota 55145

NAME: ABC WHOLESALE LIQUOR CO #12345

ADDRESS: 6420 AXEL STREET

CITY: ST PAUL, MINNESOTA 55125

DATE: FEBRUARY 5, 1978

RECORD OF PURCHASES AND SALES

TRANSACTIONS FOR THE MONTH		DISTILLED SPIRITS LITERS	CHAMPAGNE AND WINES OVER 24% LITERS	WINES over 21% to 24% LITERS	WINES over 14% to 21% LITERS	WINES 14% and under LITERS	NUMBER OF BOTTLES	LIQUOR MINIATURES
1. Purchased		4,351.73	2,508.00	12.69		29,397.14	33,580	3,000
2. On Hand – First of Month		3,780.00	2,280.00	56.40	1,504.00	2,509.00	25,060	2,000
3. Less: On Hand – End of Month		1,890.00	1,140.00	37.60	1,285.20	1,737.00	25,075	1,000
4. Balance – Liters Used		6,241.73	3,648.00	145.70	1,754.80	30,169.14	33,565	4,000
Tax Exempt	5. Shipments to Wholesalers	370.26	683.92			9.24	1,524	
	6. Misc. Exempt Sales	90.72				27.15	153	1,560
	7. Shipments Out State	113.40		26.43	165.44		524	
	8. Authorized Breakage/ Supervised Destruction		24.59	119.27			36	
Liters Used	9. Total Tax Exemptions	574.33	708.51	145.70	165.44	36.39	2,240	1,560
Taxable	10. Sales to Retailers	5,618.02	2,922.26	-0-	1,583.79	30,133.25	36,205	2,440
	11. Less Returns	16.22	1.14		20.30		40	
	12. Misc. Taxable Usage	65.54	17.67		25.67		195	
	13. Total Taxable Sales	5,667.55	2,939.77	-0-	1,589.56	30,133.25	36,360	2,440
14. Balance – Liters Used Lines 9 & 13		6,241.73	3,648.00	145.70	1,754.80	30,169.14	33,600	4,000

COMPUTATION OF EXCISE TAX DUE

TOTAL TAXABLE SALES	ENTER TOTALS FROM LINE 13	RATE	EXCISE TAX	
15. Distilled Spirits	5,667.35	$1.16	$6,574.13	
16. Liquor Miniatures	2440	.12 Ea	292.80	
17. Total - Line 15 & 16				$6,866.93
18. Champagne and Wines - over 24%	2,939.49	.81	2,380.99	
19. Wines - over 21% to 24%	-0-	.42	-0-	
20. Wines - over 14% to 21%	1,589.36	.21	333.77	
21. Wines - 14% and under	30,133.25	.07	2,109.33	
22. Bottle Sales Line 13	36,360	.01 Ea	363.60	
23. Total - Lines 18 to 22				5,187.69
24. Less Credits				-0-
25. Total - Lines 23 & 24				5,187.69
26. Net Tax Due Total Line 17 & 25				$12,054.62

For Department Use Only

DETAIL OF PURCHASES

SECTION I

PURCHASES DURING MONTH

DATE	FROM WHOM PURCHASED	MANIFEST NUMBER	DISTILLED SPIRITS LITERS	CHAMPAGNE AND WINES OVER 24% LITERS	WINES over 21% to 24% LITERS	WINES over 14% to 21% LITERS	WINES 14% and under LITERS	NUMBER OF BOTTLES	NUMBER OF LIQUOR MINIATURES
7	QUALITY DISTILLERS	F6001	4,363.07					5376	3,000
15	ACME COMPANY	Q4702		2,508.00				3,300	
20	ZENITH DISTILLERS	P7304					29.49	29.749	
28	VINTAGE COMPANY	S3#71			126.90			180	

DETAILS OF TAX EXEMPTIONS

CTION 5 — SHIPMENTS TO WHOLESALERS

TE	TO WHOM SHIPPED	INVOICE NUMBER	DISTILLED SPIRITS LITERS	CHAMPAGNE AND WINES OVER 24% LITERS	WINES over 21% to 24% LITERS	WINES over 14% to 21% LITERS	WINES 14% and under LITERS	NUMBER OF BOTTLES	NUMBER OF LIQUOR MINIATURES
8	SMITH WHOLESALE	87	370.26					612	
2	PDQ LIQUOR & WINE CO	95		683.92				900	
5	ROSE WHOLESALE WINE	122					9.26	12	
OTALS CARRIED FORWARD TO LINE 5			370.26	683.92			9.26	1.524	

ECTION 6 — MISCELLANEOUS TAX EXEMPTIONS {Sacramental Sales, Common Carriers, Military Posts}

9	JKL AIRLINE	90	90.72					120	1,560
14	USAF AIR BASE	94					27.13	36	
TOTALS CARRIED FORWARD TO LINE 6			90.72				27.13	156	1,560

If Additional Space Is Required Use Supplemental Sheets

DETAIL OF TAX EXEMPTIONS – Continued

SECTION 7 — **SHIPMENTS TO DEALERS AND DISTILLERIES OUT OF STATE**

DATE	TO WHOM SHIPPED	INVOICE NUMBER	DISTILLED SPIRITS	CHAMPAGNE AND WINES OVER 24%	WINE			NUMBER OF BOTTLES	NUMBER OF LIQUOR MINIATURE
					over 21% to 24%	over 14% to 21%	14% and under		
			LITERS	LITERS	LITERS	LITERS	LITERS		
1-20	HAWKEYE INC	120	113.40					240	
1-25	PRAIRIE WHOLESALE	125				165.44		248	
1-29	FOX COMPANY	130			26.43			36	
TOTALS CARRIED FORWARD TO LINE 7			113.40		26.43	165.44		524	

SECTION 8 — **AUTHORIZED BREAKAGE/SUPERVISED DESTRUCTION**

DATE	INSPECTOR WHO SUPERVISED DESTRUCTION	AFFIDAVIT NUMBER	DISTILLED SPIRITS	CHAMPAGNE AND WINES OVER 24%	WINE			NUMBER OF BOTTLES	NUMBER OF LIQUOR MINIATURE
					over 21% to 24%	over 14% to 21%	14% and under		
			LITERS	LITERS	LITERS	LITERS	LITERS		
1-22	A.Q JONES	874		24.59	119.27			36	
TOTALS CARRIED FORWARD TO LINE 8				24.59	119.27			36	

This report shall be submitted and the tax paid to the Commissioner of Revenue by the 10th day of the month following the First Sale. The following penalties are provided for late or fraudulent reporting.

Minnesota Statutes Chapter 340 provides that:

A five percent per month penalty shall be imposed unless the report is submitted and the tax paid in the designated time.
Any person who shall file a fraudulent report shall be subject to a penalty equivalent to the sum of 100 per cent of the amount of tax evaded.

The affiant is familiar with the statements made herein and knows them to be true and correct to the best of his knowledge, and that the same complies with the Laws and Regulations of the State of Minnesota. The affiant further states that he is familiar with the provisions of Minnesota Statutes Chapter 340.

Subscribed and sworn to before me this _____

day of _____ 19 _____

_____ Notary Public.

_____ County, Minn.

Signed,

ABC LIQUOR WHOLESALE CO
Name of Firm

J. L. Smith, President
(Authorized Signature) Title

Form 37 (Rev. 6/78)

MONTHLY REPORT OF DISTILLED SPIRITS AND WINES SHIPPED INTO MINNESOTA
(METRIC)

IE BY THE 10TH
: EACH MONTH

MINNESOTA DEPARTMENT OF REVENUE
Alcohol, Tobacco and Special Taxes Division
Centennial Office Building
St. Paul, Minnesota 55145

MONTH OF JANUARY 19 79

AME ZENITH DISTILLERS INC

DDRESS 2704 PETERS STREET | CITY FRESNO | STATE CALIFORNIA | ZIP CODE 93702

This report must be submitted to the Commissioner of Revenue not later than the 10th day after the close of the calendar month by all Distillers, lectifiers, Importers, Winers, etc. who ship Distilled Spirits and Wines into the State of Minnesota.

			Distilled Spirits	Champagnes and Sparkling Wines	WINES		No. of Bottles	No. of Cases
					Over 14%	14% or Less		
Date	To Whom Shipped	Invoice No.	Liters	Liters	Liters	Liters	Total	Total
7-78	SMITH WHOLESALE CO MINNEAPOLIS, MN	10429	9,215.80				9,840	820
9-78	PDQ LIQUOR + WINE CO ST PAUL, MN	10500		243.20	1451.36	21,230.46	20,208	1684
15-78	HOWARD LIQUOR CO DULUTH, MN	11777			2959.68	2,692.16	30,860	2770
20-78	ABC WHOLESALE LIQUOR CO ST PAUL, MN	12031				29,406.91	29,748	1708
	TOTALS		9,298.80	243.20	31,411.04	53,327.53	90,656	7002

List each shipment separately. If additional space is needed sub total here and continue on reverse side.

AFFIDAVIT

I declare under the penalties of perjury that this report has been examined by me and to the best of my knowledge and belief is true, correct and complete.

FEBRUARY 8, 1978 F. J. Jones

.B Form 128 (Rev. 3/75)

STATE OF MINNESOTA
DEPARTMENT OF REVENUE
CENTENNIAL OFFICE BUILDING
ST. PAUL, MINNESOTA 55145

DO NOT WRITE IN THIS SPACE

Check _____

Cash _____

TAX REMITTANCE COVER SHEET

MONTH OF JAN 1978

We herein transmit to the Commissioner of Revenue from:

Name

YORK BREWING Co #12345678

Address

348 BROADWAY MPLS MINN

Zip Code 55413

Check, bank draft, or money order in payment of taxable sales for malt beverages shipped into or sold within the State of Minnesota in accordance with M.S. 340.47, Subd. 2.

Taxable sales of 392.90 barrels of beer containing

less than 3.2% alcohol by weight

@ $2.00 per barrel ..... Tax $ 785.80

LESS CREDIT 1ST 75M BBLS 785.80

— 0 —

Taxable sales of 3036.93 barrels of beer containing

more than 3.2% alcohol by weight

@ $4.00 per barrel ..... Tax $ 12,147.70

LESS CREDIT 1ST 75M BBLS 6073.85

Total Tax Payment ..... $ 6073.85

This payment is accompanied by tax reports and returns, LB forms 51 and 52 or 88 and 89 as required by law and regulations.

Date	Signature	Title
2/8/78	R.J. Johnson	Vice President

Form 51 (Rev. 10/73)

DO NOT WRITE IN THIS SPACE

Check _____

Cash _____

Rec'd. _____

Rec'd by Cashier _____

NTHLY REPORT AND TAX RETURN
T-STATE BREWERS AND WHOLESALE DISTRIBUTORS
RMENTED MALT BEVERAGES (OVER 3-2)

E BY THE 15th
EACH MONTH

STATE OF MINNESOTA
DEPARTMENT OF REVENUE
Centennial Office Building
St. Paul, Minnesota 55145

MONTH OF JANUARY 1978

AE SUMMIT BREWING Co #1234569

DRESS 123 PARK ROAD | CITY MILW | STATE WISC | ZIP CODE 53207

This report and return shall be filed with the Commissioner of Revenue, after the close of each month, and not later than the 15th, by all out-state brewers and wholesale distributors who import into Minnesota. Late filing and payment result in 10% penalty and 1% interest per month on amount due.

RECORD OF TAXABLE SHIPMENTS INTO MINNESOTA AND COMPUTATION OF TAX

DESCRIPTION	QUANTITY	VALUE	TAX	
1 Barrel		$4.00		
½ Barrel	200	2.00	400	00
¼ Barrel	100	1.00	100	00
1/8 Barrel	—	.50		
6/128 oz. cs.	—	.77416		
48/12 oz. cs.	—	.58064		
12/32-24/16 oz. cs.	—	.38708		
24/12-36/8 oz. cs. 1/288-2/144 oz. ctn.	500	.29032	145	16
4/64 oz. cs.	—	.25804		
36/7 oz. cs.	—	.25404		
35/7 oz. cs.	—	.24696		
24/8 oz. cs.	—	.19356		
24/7 oz. cs.	—	.16936		
12/12-1/144 oz. ctn.	1000	.14516	145	16
1/128 oz. (1 gal.) ctn.	—	.12904		
Total Tax for Over 3.2 Beer			790	32

AFFIDAVIT

I declare, under the penalties of perjury and evasion, that I am familiar with the books, papers, and records of the business from which this return was prepared, that this report and return has been examined by me and to the best of my knowledge and belief is true, correct and complete.

Feb 13 1978 — Date

R. H. Green — Signature

Vice-President — Title

NOTE:
Report taxable shipments of imports into Minnesota by showing the individual monthly total of each account. Date of the importer's invoice will determine the month for reporting.

MONTH OF January, 1978

Blank out any unused column if provided to conform with package and tax rate on the face of report.

REPORT OF TAXABLE SHIPMENTS INTO MINNESOTA

FERMENTED MALT BEVERAGES OVER 3.2% OF ALCOHOL BY WEIGHT

Date	To Whom Shipped—Wholesalers	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	6/124 oz.	48/12 oz.	12/24 oz. 24/16 oz.	1/2bbl oz. 2/144 oz. 24/12 oz. 12/24 oz. 50/8 oz.	96/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.
	State Name City													
	Island Distrib		75	25					200					300
	King Wholesaling		75	50					150					350
	Black Distrib.		50	25					150					350
	TOTAL TAXABLE IMPORTS		200 + 100 +						500 +					1000

REPORT OF NON TAX-PAID SHIPMENTS INTO MINNESOTA

Non tax-paid shipments into Minnesota will be grouped for each account and listed chronologically. Each shipment claimed exempt must be supported by an affidavit or by a duplicate of the invoice showing non-payment of tax and claim of exemption prepared and filed with the Commissioner at time of shipment.

Date	To Whom Shipped—Wholesalers	
	Smith Distributing For USAF Air Base Invoice #0013	50

LB Form 88 (Rev. 6/77)

STATE OF MINNESOTA
Department of Revenue
Alcohol, Tobacco and Special Taxes Division
Centennial Office Building
St. Paul, Minnesota 55145

MINNESOTA MANUFACTURERS OF BEER — MONTHLY REPORT AND TAX RETURN

FERMENTED MALT BEVERAGES - (NOT OVER 3.2%)

For Month of JANUARY 1978

Filed by YORK BREWING Co 1234567 Address 348 BROADWAY City MPLS Zip 55413

This report and return shall be filed with the Department of Revenue, St. Paul, Minnesota, after the close of each calendar month, and not later than the 15th, by all manufacturing brewers located in the State of Minnesota. Late filing and payment result in 10% penalty and 1% interest per month on tax due.

RECORD OF PACKAGES PRODUCED AND DISPOSITION

Not Over 3.2%	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	24/16 oz. 12/32 oz. 6/64 oz.	24/12 oz. 12/24 oz. 36/8 oz.		A. 35/7 oz. B. 36/7 oz.	24/8 oz.	24/7 oz.	12/12 oz. Carton	Total Barrels
													73.58
1. Inventory—First of Month		2					1000						175.48
2. Produced during Month		80					6000						579.06
3. Total		82					7000						
Deduct non taxable													156.16
4. Inventory End of Month		22					2000						
5. Consumed on Premises													
6. Shipments Out of State Other items (specify)													
7.*													
8.*													156.16
Total Deductions		22					2000						392.90
10. *Taxable Sales within State		60					5000						

COMPUTATION OF MINNESOTA EXCISE TAX (Beer not over 3.2%)

									A. .12348 B. .12702	.09678	.08468	.07258	Total
Tax Rates ($2.00 per bbl.)	$2.00	$1.00	.50	.25	.29032	.19354	.14516						785.80
11. Tax (Multiply line 10 by tax rate)		60.00					725.80						785.80
								Less Cr. 1st 75M Bbls					-0-

12. Total Tax Payment for Beer Sold in Minnesota Containing Not More Than 3.2% of Alcohol by Weight.

AFFIDAVIT

I declare, under the penalties of perjury and evasion, that I am familiar with the books, papers, and records of the business from which this return was prepared, that this report and return has been examined by me and to the best of my knowledge and belief is true, correct and complete.

2/8/78
Date

R. J. Johnson
Signature

Vice president
Title

*Supply detail for lines 7, 8 and 10 on next page.

Month of JANUARY 19[redacted]

REPORT OF TAXABLE SALES WITHIN M[redacted]NESOTA

FERMENTED MALT BEVERAGES NOT OVER 3.2% OF ALCOHOL BY WEIGHT

NOTE:
Sales to railroads will be listed chronologically for each. The same applies to any other exempt sales.

Filed by YORK BREWING Co.

To Whom Shipped	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	24/12 oz. 12/32 oz. 6/64 oz.	24/12 oz. 12/24 oz. 24/7 oz.		A. 15/7 oz B. 24/7 oz	24/8 oz.	24/7 oz.	12/12 oz Cartons
Tax Exemptions Claimed Name City												
Total (Lines 7 and 8)												
Total Sales to Retailers												
Total Sales to Consumers												
*Sales to Wholesalers (Monthly Totals for each)												
Name City												
King Whlse		60					5000					
Total—Taxable Sales—Line 10		60					5000					

LB Form 89 (Rev. 6/77)

Department of Revenue
Alcohol, Tobacco and Special Taxes Division
Centennial Office Building
St. Paul, Minnesota 55145

MINNESOTA MANUFACTURERS OF BEER — MONTHLY REPORT AND TAX RETURN

FERMENTED MALT BEVERAGES (OVER 3.2%)

For Month of JANUARY 1978

Filed by YORK BREWING Co #1234578 Address 348 BROADWAY City MPLS Zip 55413

This report and return shall be filed with the Department of Revenue, St. Paul, Minnesota, after the close of each calendar month, and not later than the 15th, by all manufacturing brewers located in the State of Minnesota. Late filing and payment result in 10% penalty and 1% interest per month on tax due.

RECORD OF PACKAGES PRODUCED AND DISPOSITION

Over 3.2%	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	24/16 oz. 12/32 oz. 6/64 oz.	24/12 oz. 12/24 oz. 86/8 oz.		A. 35/7 oz. B. 36/7 oz.	24/8 oz.	24/7 oz.	12/12 oz. Carton	Total Barrels
1. Inventory—First of Month		500	250	100			3000					6,000	772.9
2. Produced during Month		3000	800	500			10,000					10,000	1851.2
3. Total		3500	1050	700			13,000					16,000	3624.1
Deduct non taxable													
4. Inventory End of Month		300	100	100			2000					5000	514.1
5. Consumed on Premises		5					10						3.2
6. Shipments Out of State Other items (specify)		50	20				500						66.2
7.* MILITARY							50						3.6
8.*													
9. Total Deductions		355	120	100			2560					5000	587.2
10.* Taxable Sales within State		3145	930	600			10,440					11,000	3036.9

COMPUTATION OF MINNESOTA EXCISE TAX (Beer over 3.2%)

Tax Rates ($4.00 per bbl.)	$4.00	$2.00	$1.00	.50	.58064	.38708	.29032		A. .24696 B. .25404	.19356	.16936	.14516	Total
11. Tax (Multiply line 10 by tax rate)		6290.00	930.00	300.00			3028.94					1596.72	12147
													6073
12. Total Tax Payment for Beer Sold in Minnesota Containing More Than 3.2% of Alcohol by Weight.													6073.

AFFIDAVIT

I declare, under the penalties of perjury and evasion, that I am familiar with the books, papers, and records of the business from which this return was prepared, that this report and return has been examined by me and to the best of my knowledge and belief is true, correct and complete.

2/8/78
Date

R J Johnson
Signature

Vice President
Title

*Supply detail for lines 7, 8 and 10 on next page.

STATE OF MINNESOTA

Liquor Control Commissioner

File in Duplicate

Month of January 19 78

State of North Dakota

REPORT OF OUT-STATE SHIPMENTS

FERMENTED MALT BEVERAGES (Over 3.2%)

NOTE: Report out-of-state shipments by states showing the individual monthly totals of each account.

Reported by YORK BREWING Co

To Whom Shipped	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz. 6/64 oz. 24/16 oz.	24/12 oz. 12/24 oz. 36/8 oz.	4/64 oz. Picnic	36/7 oz.	24/8 oz.	24/7 oz.	12/12 Cans
Name City												
NO OAK. DIST. CO. FARGO INV. # 00376		50	20				500					
TOTAL		50	20				500					

Month of JANUARY 1978

REPORT OF TAXABLE SALES WITHIN MINNESOTA

FERMENTED M[illegible] BEVERAGES OVER 3.2% OF ALCOHOL BY WEIGHT

NOTE:
Sales to railroads will be listed chronologically for each. The same applies to any other exempt sales.

Filed by YORK BRENING Co

To Whom Shipped	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	24/16 oz. 12/32 oz. [illegible]	24/12 oz. 12/24 oz. [illegible]		A [illegible] B [illegible]	24/8 oz.	24/7 oz.	12/12 oz. Cartons
Tax Exemptions Claimed												
Name City												
KING DIST. Co							50					
Total (Lines 7 and 8)							50					
Total Sales to Retailers												
Total Sales to Consumers												
*Sales to Wholesalers (Monthly Totals for each)												
Name City KING Whole. MPLS	900	400	200				4,000					3000
ACE DIST Co ST. PAUL	1100	300	200				5000					4000
MINN VALLEY DIST MANKATO	1145	230	200				1,440					4000
Total—Taxable Sales—Line 10	3145	930	600				10,440					11,000

*For each Wholesaler, list Gross Sales in black — Credits in red

LB-520 (Rev. 6-78)
(Supplement to LB-51)

WHOLESALERS MONTHLY REPORT TAX PAID FERMENTED MALT BEVERAGES

OVER 3.2% ALCOHOL

USE REVERSE SIDE FOR NOT OVER 3.2%

MINNESOTA DEPARTMENT OF REVENUE
ALCOHOL, TOBACCO AND SPECIAL TAXES DIVISION
Centennial Office Building
St. Paul, Minnesota 55145

DUE BY THE 15TH OF EACH MONTH

MONTH OF JANUARY 1978

NAME King Wholesale Co #2345678

ADDRESS 120 Broadway St | CITY MPLS | STATE MINN | ZIP CODE 55418

This report must be filed with the Commissioner of Revenue after the close of each calendar month, and not later than the 15th, by all distributo and wholesalers licensed to sell fermented malt beverages in Minnesota. Report tax paid purchases by showing the monthly total purchased fro each brewer or supplier. The date of the brewer's invoice will determine the month of reporting.

PURCHASES FROM MINNESOTA AND OUT-STATE BREWERS AND DISTRIBUTORS

From Whom Purchased	Half Barrel	Quarter Barrel	Eighth Barrel	12/32 oz 24/16 oz	24/12 oz 36/8 oz 1/288 oz 2/144 oz	48/7 oz	36/7 oz	35/7 oz	32/7 oz	24/8 oz	24/7 oz	12/12 oz 1/144 oz	1/12 Gall
Summit Brew.	75	50			150							360	
York Brew. Co.	900	400	200		4000							3000	
Total	975	450	200		4150							3360	

RECORD OF TAX PAID INVENTORY, PURCHASES AND SALES

Over 3.2%	Half Barrel	Quarter Barrel	Eighth Barrel	12/32 oz 24/16 oz	24/12oz 36/8 oz 1/288 oz 2/144 oz	48/7 oz	36/7 oz	35/7 oz	32/7 oz	24/8 oz	24/7 oz	12/12 oz 1/144 oz	1/1 Ga
1. Inventory - First of Month	0	10	8		100							10	
2. Purchased During Month (add)	975	450	200		4150							3350	
3. Total	975	460	208		4250							3360	
4. Sales Within State	900	450	188		4000							3300	
5. On Hand End of Month	75	10	20		250							60	

I declare under the penalties of perjury that this report has been examined by me and to the best of my knowledge and belief is true, correct, and complete.

2/8/78

J. L. King
Authorized Signature

Pres.
Title

LB-52C (Rev. 6-78)
(Supplement to LB-51)

WHOLESALERS MONTHLY REPORT TAX PAID FERMENTED MALT BEVERAGES

NOT OVER 3.2% ALCOHOL

USE REVERSE SIDE FOR OVER 3.2%

MINNESOTA DEPARTMENT OF REVENUE
ALCOHOL, TOBACCO AND SPECIAL TAXES DIVISION
Centennial Office Building
St. Paul, Minnesota 55145

DUE BY THE 15TH OF EACH MONTH

MONTH OF JANUARY 1978

NAME King Wholesale Co. #2345678

ADDRESS 120 BROADWAY ST | CITY MPLS | STATE MINN | ZIP CODE 55418

This report must be filed with the Commissioner of Revenue after the close of each calendar month, and not later than the 15th, by all distributo and wholesalers licensed to sell fermented malt beverages in Minnesota. Report tax paid purchases by showing the monthly total purchased fro each brewer or supplier. The date of the brewer's invoice will determine the month of reporting.

PURCHASES FROM MINNESOTA AND OUT-STATE BREWERS AND DISTRIBUTORS

From Whom Purchased	Half Barrel	Quarter Barrel	Eighth Barrel	12/32 oz 24/16 oz	24/12 oz 36/8 oz 1/288 oz 2/144 oz	48/7 oz	36/7 oz	35/7 oz	32/7 oz	24/8 oz	24/7 oz	12/12 oz 1/144 oz	1/1 Gall
SUMMIT BREW.	50	75			400							1200	
YORK BREW.	60				500								
Total	110	75			900								

RECORD OF TAX PAID INVENTORY, PURCHASES AND SALES

Not Over 3.2%	Half Barrel	Quarter Barrel	Eighth Barrel	12/32 oz 24/16 oz	24/12 oz 36/8 oz 1/288 oz 2/144 oz	48/7 oz	36/7 oz	35/7 oz	32/7 oz	24/8 oz	24/7 oz	12/12 oz 1/144 oz	1/1 Gall
1. Inventory - First of Month	0	8			100							-0-	
2. Purchased During Month (add)	110	75			500							1200	
3. Total	110	83			600							1200	
4. Sales Within State	100	43			500							1200	
5. On Hand End of Month	10	40			200							-0-	

I declare under the penalties of perjury that this report has been examined by me and to the best of my knowledge and belief is true, correct, and complete.

2/8/78
Date

J. O. King
Authorized Signature

Prop.
Title

Form 56 (Rev. 10/73)

HOLESALERS MONTHLY REPORT
ON TAX-PAID FERMENTED MALT BEVERAGES

STATE OF MINNESOTA
DEPARTMENT OF REVENUE
Centennial Office Building
St. Paul, Minnesota 55145

JE BY THE 15th
EACH MONTH

MONTH OF JANUARY 1978

AME KING WHOLESALERS #2345678

DDRESS 120 BROADWAY ST. | CITY MPLS. | STATE MINN | ZIP CODE 55418

his report must be filed with the Commissioner of Revenue, after the close of each calendar month, and not later than the th, by all licensed wholesalers who sell non tax-paid fermented malt beverages.

RECORD OF NON TAX-PAID INVENTORY, PURCHASES AND SALES

Not Over 3.2%	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz. 24/16 oz.	24/12 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.
On Hand First of Month												
Purchased During Month												
Total to be Accounted for												
Untaxed Sales a. To Out of State Retailers												
b. To Out of State Wholesalers												
c. Military Posts and Railroads												
Total of 4a, 4b, and 4c.												
Balance on Hand End of Month												

Over 3.2%	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz 24/16 oz.	24/12 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.
On Hand First of Month							0					
Purchased During Month							50					
Total to be Accounted for							50					
Untaxed Sales a. To Out of State Retailers												
b. To Out of State Wholesalers												
c. Military Posts and Railroads							50					
Total of 4a, 4b, and 4c.												
Balance on Hand End of Month							-0-					

AFFIDAVIT

I declare, under the penalties of perjury and evasion, that I am familiar with the books, papers, and records of the business from which this return was prepared, that this report and return has been examined by me and to the best of my knowledge and belief is true, correct and complete.

Feb 14 1978 (Date) | J.J. King (Signature) | President (Title)

SEE INSTRUCTIONS PAGE 4.

PURCHASES OF NON TAX-PAID FERMENTED MALT BEVERAGES

The date of the brewers invoice will determine the month of reporting.

Date	Not Over 3.2% Whom	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz. 24/16 oz.	24/12 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.	Date
	Total													

Date	Over 3.2% Whom	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz. 24/16 oz.	24/12 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.	Date
6	YORK BREW.							50						
	Total													

TOTALS TO BE CARRIED TO ITEM NUMBER 2 ON FACE.

SALES OF NON TAX-PAID FERMENTED MALT BEVERAGES

Not Over 3.2% To Whom Sold	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz. 24/16 oz.	24/12 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12
4a. Out of State Retailers Total												
4b. Out of State Wholesalers Monthly Total for Each												
Total												
4c. Military Posts and Railroads Name and Dates for each Purchaser												
Total												

Over 3.2% To Whom Sold	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz. 24/16 oz.	24/12 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12
4a. Out of State Retailers Total												
4b. Out of State Wholesalers Monthly Total for Each												
Total												
4c. Military Posts and Railroads Name and Dates for each Purchaser												
8 USAF AIR BASE ST P-MPLS. Bldg # 7							50					
Total							50					

SPECIFY LINE 4a, 4b, OR 4c AS PER INSTRUCTIONS ON PAGE 4 AND ENTER TOTALS ON PAGE 1.

INSTRUCTIONS

Report of Non Tax-Paid Fermented Malt Beverages

General: This report must be filed for each calendar month in which the wholesaler has inventory, purchases or sales of non tax-paid fermented malt beverages.

The report will not be filed by wholesalers who have had no dealings in non tax-paid beer.

DIRECTIONS FOR USE OF ITEM LINES ON PAGES 1, 2 and 3.

Item

1. The inventory on hand at close of business of preceding month.
2. On page 2 of report, fill in by date the amount of unstamped beer purchased, and the total at bottom of page 2 is carried to face of report as Item 2. The date of the brewer's invoice will determine the month for reporting.
3. Totals of Item 1 and Item 2.
4. Non tax-paid sales claimed exempt from tax to be shown in the following detail on page 3.
   a. Give total monthly sales to out-of-state retailers by states, naming each state.
   b. Give sales to out-of-state wholesalers, naming the state and the buyer and the monthly total sales to each.
   c. Give non tax-paid sales to buyers such as railroads with dining or club car service, or to military organizations such as the Fort Snelling Post Exchange, which has been recognized as exempt. Name each buyer and date of each sale to it.
5. Totals of 4a, b, and c. Subtract this item from Item 3, which will give you --
6. Balance on hand end of month.

B Form 123 (Rev. 6/78)

OMMON CARRIER MONTHLY REPORT AND TAX RETURN (METRIC)

UE BY THE 10TH
)F EACH MONTH

STATE OF MINNESOTA
DEPARTMENT OF REVENUE
Centennial Office Building
St. Paul, Minnesota 55145

DO NOT WRITE IN THIS SPACE

Check _____

Cash _____

Rec'd _____

Rec'd by Cashier _____

MONTH OF JANUARY 1978

AME JKL AIRLINE INC

DDRESS INTERNATIONAL AIRPORT | CITY BLOOMINGTON | STATE MINNESOTA | ZIP CODE 55111

his report must be submitted to the Commissioner of Revenue not later than the 10th day of the succeeding month, by all Common Carriers who sold Distilled pirits, Wines and Fermented Malt beverages to passengers being transported while within the State of Minnesota, in accordance with Chapter 340, Minnesota Statutes.

Item	Excise Tax	Quantity	Total Amount
Liquor	$1.16 Liter	24.57	28.50
Champagne Sparkling Wine	.81 Liter	—	
Wine Over 14% To 21%	.21 Liter	—	
Wine 14% And Under	.07 Liter	—	
Miniatures	.12 ea.	35	4.20
		Total Tax on Liquors & Wines	32.70

Fermented Malt Beverages	Rate	Quantity	Tax per unit	Amount
Beer Containing less than 3.2% alcohol	$2.00 Bbl.	Case 24-12 oz.	$.14516	$ —
		12 oz. Bottle	.00605	—
Beer Containing more than 3.2% alcohol	$4.00 Bbl.	Case 24-12 oz. 3	.29032	.87
		12 oz. Bottle	.01210	—

Total Tax on Beer $ .87

Check Number

Total Tax Payment ..... $ 33.57

AFFIDAVIT

I declare, under the penalties of perjury and evasion, that I am familiar with the books, papers, and records of the business from which this return was prepared, that this report and return has been examined by me and to the best of my knowledge and belief is true, correct and complete.

FEBRUARY 8, 1978 (Date) W. W. White (Signature) Vice President (Title)

Amendments to Rules as Proposed

ADMIN 1000 (Rev. 1/78)

STATE OF MINNESOTA

DEPARTMENT REVENUE

Office Memorandum

RECEIVED
NOV 20 1978
OFFICE OF HEARING EXAMINERS

TO : Steve Mihalchick
Hearing Examiner

DATE: November 16, 1978

FROM : Dale H. Busacker DHB
Attorney

PHONE: 1022

SUBJECT: Alcoholic Beverage Excise Tax Rules

Attached please find a copy of the second set of proposed amendments to the alcoholic beverage excise tax rules as published in the State Register for October 23, 1978. The purpose of these amendments is to make clear that the common carriers that are exempt from paying the alcoholic beverage excise tax on alcoholic beverages that they purchase are only those common carriers that are engaged in interstate commerce. Common carriers engaged in commerce only within the state of Minnesota must buy their alcoholic beverages with the tax already paid. They cannot buy non-tax paid alcoholic beverages. These amendments make that distinction clear. It is something that was overlooked in the drafting of these rules. I will be moving for their approval at the rules hearing to be held on November 29, 1978.

DHB:lmj

Attachment

Dept's 4

RECEIVED
NOV 20 1978
OFFICE OF HEARING
EXAMINERS

SECOND SET OF AMENDMENTS TO PROPOSED RULES OF THE DEPARTMENT OF REVENUE GOVERNING THE ALCOHOLIC BEVERAGE EXCISE TAX AS PUBLISHED IN THE STATE REGISTER FOR MONDAY OCTOBER 23, 1978.

Rule 1.9004, Part B.6., Line 2, after "carriers" insert "engaged in interstate commerce."

Rule 1.9005, Part B.6.c., Line 1, after "carriers" insert "engaged in interstate commerce."

Rule 1.9011, Part E.1.c., Line 4, after "carriers" insert "engaged in interstate commerce."

Part E.2.d.(2), Line 2, after "carriers" insert "engaged in interstate commerce."

Rule 1.9015, Part A., Line 5, after "carriers" insert "engaged in interstate commerce."

Line 9, after "carriers" insert "engaged in interstate commerce."

Line 11, after "carrier" insert "engaged in interstate commerce."

Rule 1.9016, Part A., Line 1, after "carriers" insert "engaged in interstate commerce."

Line 4, after "carriers" insert "engaged in interstate commerce."

Line 8, after "carrier" insert "engaged in interstate commerce."

Part B., Line 1, after "carrier" insert "engaged in interstate commerce."

Amendments to Rules As Proposed. [illegible]

ADMIN 1000 (Rev. 1/78)

STATE OF MINNESOTA

DEPARTMENT REVENUE

Office Memorandum

RECEIVED
NOV 2 1978
OFFICE OF HEARING EXAMINERS

TO : Steve Mihalchick
Hearing Examiner

DATE: 11/1/78

FROM : Dale H. Busacker DHB
Attorney

PHONE: 1022

SUBJECT: Alcoholic Beverage Excise Tax Rules

Attached please find a copy of proposed amendments to the Alcoholic Beverage Excise Tax Rules as published in the State Register for October 23, 1978.

These amendments are technical amendments to the rules. I will be moving for their approval at the rules hearing to be held on November 29, 1978

I request that you distribute them with the statement of need so that any concerned party can examine them before the date of the hearing.

DHB:lmj

Attachment

Dept's Exhibit No. 0
File No.
Date

Amendments to Proposed Rules of the Department of Revenue Governing the Alcoholic Beverage Excise Tax as Published in the State Register for Monday, October 23, 1978

RECEIVED
NOV 2 1978
OFFICE OF HEARING EXAMINERS

Rule 1.9002

Part B, line 1 after "container for" insert "fermented"

Part D, first line, delete "100" insert "1000." Add a new third sentence to read, "When the term 'liter' is used as a metric unit of capacity for wine, the temperature at which the measurement shall be made shall be 4°C instead of 15.56°C."

Delete Part H, the term "split" and the definition for that term. Reletter Part I as Part H.

Old Part I, new item H, delete the second sentence and insert, "However, the federal definition requiring wine to be at least seven percent alcohol by volume is not to apply but wine will be considered as wine if it is at least one-half of one percent alcohol by volume."

Rule 1.9003

Part A., line 8, delete "regulations" insert "rules"

Part A.2. delete "12 cents each" and insert "the rate specified in Minn. Stat. Section 340.47, Subd. 1a"

Part A.2. delete the second sentence.

Rule 1.9004

Part A., line 2, after "containers of" insert "distilled"

Rule 1.9007

Part A.2., line 6 delete "the liquor tax law" and insert "Minn. Stat. Sections 340.44 to 340.56"

Part B., Line 5 after "he" insert "or she." Line 6, delete "beer" insert "fermented malt beverages."

Part D., line 2 delete "readliy" and insert "readily"

Rule 1.9010

Part A, line 3 after "brewer of" insert "fermented"

Part A, line 9 after "paid on" insert "fermented"

Rule 1.9011

Part A, line 7 after "these" insert "fermented"

Part B.2., line 1 delete "3.2 and strong beer" and insert "fermented malt beverage containing not more than 3.2 percent of alcohol by weight and the number of barrels of fermented malt beverage containing more than 3.2 percent of alcohol by weight that were"

Part B.2., line 3 delete "beer" insert "fermented malt beverage"

Part B.3., line 2 after "printouts" insert "in lieu of official Minnesota Department of Revenue forms,"

Part B.3., line 2 after "prior" insert "written"

Part C, line 1 before "Malt" insert "Fermented"

Part C, line 1 delete "a Division of" insert "an"

Part E.1., line 1 after "wholesale" insert "fermented"

Part E.2., line 2 delete "3.2 beer" insert "fermented malt beverage containing not more than 3.2 percent of alcohol by weight"

Part E.2., line 3 delete "strong beer" and insert "fermented malt beverage containing more than 3.2 percent of alcohol by weight"

Part E.2.c., delete "beer" insert "fermented malt beverages"

Part E.2.d., after "include" insert "fermented malt beverages"

Part E.2.d.(1), line 1 delete "beer"

Part E.2.d.(2), line 1 delete "beer"

Part E.2.d.(3), line 1 delete "beer", line 7 delete "beer" insert "fermented malt beverages"

Part E.2.d.(4), line 1 delete "beer"

Part E.2.d.(5), line 1 delete "beer"

Part E.2.e., after "include" insert "fermented malt beverages"

Part E.2.e.(1), delete "beer"

Part E.2.e.(2), line 1 delete "beer having" and insert "containing"

Part E.2.e.(3), line 1 delete "beer"

Part E.2.f., line 2 before "rate" insert "at the"; line 2 after "rate" insert "including"

Part E.2.g., line 2 delete "report" insert "reports LB-88 and"; line 2 delete "sheet is" insert "sheets are"

Rule 1.9012

In the heading of the rule after "Minnesota" insert "fermented"

Part A, line 1 after "distributors of" insert "fermented"

Part A, line 4 after "tax paid" insert "fermented"; line 5 after "non-tax-paid" insert "fermented"

Part C, line 1 after "completed" insert "fermented"

Part D, line 1 delete "beer" insert "fermented malt beverages"; line 2 delete "beer" insert "fermented malt beverage"

Part E, line 1 delete "beer" insert "fermented malt beverages"; line 3 after "report form" insert "LB-"; line 5 delete "beer" insert "fermented malt beverages"

Rule 1.9013

Part A, line 2 after "A." insert "and C."

Chapter III heading, line 3, after "Wine, and" insert "Fermented"

Rule 1.9015

Part A, line 6 delete "nonintoxicating" and insert "fermented"; line 10 delete "LB form" insert "form LB-"

Rule 1.9016

Part A, line 3 after "wines and" insert "fermented"

Part A, line 5 delete "LB form" insert "Form LB-"

Part A, line 6 delete "beer" insert "fermented malt beverages"

Part A.2., line 1 after "wine, and" insert "fermented"

Part B, line 3 after "miles" insert "in each state"

Page 848, Form LB-123 - Common Carrier Monthly Report and Tax Return (Metric). In the line designated for the name after "JKL Airline Inc." insert "#5763297"

Rules as proposed + published in the State Register

Department of Revenue
Alcoholic Beverage Excise Tax Rules.

Chapter I - Assessment and Collection of Excise Taxes on Distilled Spirits and Wines; Returns and Reports Required; Records to be Kept; and Bonds Needed.

13MCAR §1.9001: INTRODUCTION - Under Laws of 1976, Ch. 5, the responsibility for the assessment and collection of excise taxes on alcoholic beverages was transferred from the Department of Liquor Control to the Department of Revenue, Alcohol, Tobacco and Special Taxes Division.

The Department of Revenue currently has no rules relating to the assessment and collection of these taxes. These rules are being issued to fill that void.

Minn. Stat. Ch. 340, deals with intoxicating liquors in Minnesota. The Department of Public Safety, Liquor Control Division published rules that clarify Chapter 340, except for sections 340.44 to 340.56. The following rules clarify these sections by describing the assessment process, the means by which payment must be made, the reports required to be filled out and sent in by the taxpayer, and other facts important to the assessment and collection of the excise tax on alcoholic beverages.

All persons engaged in the alcoholic beverage industry within Minnesota should first read Minn. Stat. Ch. 340, as well as the rules involving the administration of the Intoxicating Liquor Act as issued by the

Department of Public Safety, Liquor Control Division. A knowledge of the law and rules will help you to better understand the Department of Revenue rules.

1.9002: DEFINITIONS - Most of the terms and phrases germane to the assessment and collection of the excise tax on alcoholic beverages are defined in Minn. Stat., Ch. 340; §§340.001, 340.07, 340.401, and 340.44 or the rules of the Department of Public Safety, Liquor Control Division. For the purposes of these rules the following additional words and phrases will be used and will have the meaning described below, except where the context clearly indicates a different meaning.

A. Commissioner - is the Commissioner of Revenue of the State of Minnesota.

B. Barrel - is a container for malt beverages holding 31 U.S. gallons.

C. Director - is the Director of the Alcohol, Tobacco and Special Taxes Division, Minnesota Department of Revenue.

D. Liter - is a metric unit of capacity equal to 100 cubic centimeters of distilled spirits at 15.56°C (60°F) and equivalent to 33.814 U. S. fluid ounces. A liter is subdivided into 1,000 milliliters (ML).

E. Military Club - is any Officers or Non-Commissioned Officers Club which is located on a United States Government Military Base, and meets all Federal criteria for the establishment and operation of such a club. The Director shall publish a list of all such clubs

within Minnesota which will be available to wholesalers. Only military clubs named on this list shall be eligible to purchase tax exempt alcoholic beverages.

F. Miniature - is any container of distilled spirits containing 50 milliliters or less.

G. Minnesota Identification Number - is that number assigned to a taxpayer by the Minnesota Department of Revenue, and is the same number used by the taxpayer for income tax, sales and use tax and withholding returns.

H. Split - is any container of wine less than 200 milliliters but more than 50 milliliters.

I. Wine - is wine as defined in the Code of Federal Regulation Title 27, Section 4.10(e) and Sections 4.21 through 4.24 as they existed on April 1, 1977. However, wine is not to be limited to not less than seven percent alcohol by volume but is to be considered wine if it contains not less than one-half of one percent alcohol by volume.

1.9003: EXCISE TAX ON DISTILLED SPIRITS AND WINE

A. Distilled Spirits and Wine sold for beverage purposes in the State of Minnesota are subject to an excise tax. All wholesalers of distilled spirits and wines have to pay the tax to the Commissioner at the rates described in Minn. Stat. §340.47. The wholesaler is responsible for paying the amount of this tax at the time distilled

spirits and wine are removed from the inventory for sale, delivery or shipment, except for such tax exempt sales described in these regulations.

1. Containers of bitters having the Federal strip stamp, or similar device attached, are to be considered as beverages and are to be taxed as distilled spirits.

2. Miniatures shall be taxed at 12 cents each.
   NOTE: Miniatures are not permited to be sold in Minnesota except to common carriers and certain authorized retailers.

3. Metric units of measure will be used in determining the excise tax on distilled spirits and wine beginning January 1, 1979. The factor for conversion of U.S. gallons to metric standards is: 1 liter equals 0.264172 U.S. gallon.

4. Alcoholic Content to be used for excise tax purposes is to be the percent of alcohol by volume as shown on the label of the product. If the alcoholic content is not shown on the label, the alcoholic content as established by the chemical analysis required for brand label registration is to be used. If two or more percents' of alcohol by volume are shown on the label (ie 13% - 15%) the higher figure is to apply in determining the excise tax.

1.9004: CERTIFICATION LABEL FEE.

A. Minn. Stat. §340.461 provides for payment of a certification fee on

all containers of spirits or wine. This tax was formerly administered through the sale of carton labels by the State Treasurer to various distillers, importers and wholesalers. The container fee is now to be paid by all wholesalers of distilled spirits and wine to the Commissioner at the rate as described in Minn. Stat. §340.461. The wholesaler is responsible for the payment of this tax when the containers of distilled spirits and wine are removed from his inventory for sale, delivery or shipment.

B. Exemptions from the certification label fee are as follows:

1. Miniatures of distilled spirits.

2. Containers of fermented malt beverage.

3. Containers of intoxicating liquor or wine holding less than 200 milliliters.

4. Containers of wine intended exclusively for sacramental purposes.

5. Containers of alcoholic beverages sold to qualified, approved military clubs.

6. Containers of alcoholic beverages sold to common carriers.

7. Containers of alcoholic beverages sold to authorized food processors or pharmaceutical firms for use exclusively in the manufacturing of food products or medicines.

8. Containers of alcoholic beverages sold and shipped to dealers, wineries, or distillers in other states.

9. Containers of alcoholic beverages sold to other Minnesota wholesalers.

1.9005: MONTHLY REPORT AND TAX RETURN FOR DISTILLED SPIRITS AND WINE.

A. A monthly return is to be filled out and sent to the Commissioner by all Minnesota licensed manufacturers and wholesalers of distilled spirits and/or wine. The monthly return, form LB-56, must be filed no later than the 10th day of the next month and payment of the taxes shown on the return must accompany it. Failure to file this return and pay the taxes on time will result in additional charges described in Minn. Stat. §340.485.

B. The LB-56 return is to include the following information:

1. Name, Minnesota Identification Number, and address of the wholesaler or distiller, and the month for which the report is being made.

2. Amount of purchases by type of alcoholic beverage for the month.

3. Beginning inventory by type of alcoholic beverage for the month.

4. Ending inventory by type of alcoholic beverage for the month.

NOTE: The ending inventory for one month must be used as the beginning inventory for the following month.

5. Total amount of alcoholic beverages sold, shipped or delivered for the month.

6. Exemptions for the month which may include:

   a. Sales to Minnesota wholesalers. This exemption is to be permitted only if the sale or transfer is verified by the firm receiving the product.

   b. Shipment to dealers, wineries, and distillers located in other states. The shipments must be documented by properly executed bills of lading. Also, the out of state consignees must be authorized to receive distilled spirits and/or wines in their respective states. And, they must have filed receipt of the shipments with their respective state liquor authorities.

   c. Sales to common carriers and qualified, approved military clubs. The sales must be documented by properly receipted invoices, delivery tickets or bills of lading on file at the wholesaler's premises.

   d. Sales of wine to any regularly appointed and ordained Rabbi, Priest, Minister or Pastor of any church or

established religious organization. The sale must be documented by an affidavit executed by the purchaser at the time of purchase. The affidavit is to contain a statement that the quantity and type of wine purchased is to be used exclusively for religious or sacramental purposes. These affidavits are to be kept on file at the wholesaler's premises.

e. Sales of distilled spirits and wines to authorized food processors, or pharmaceutical firms. The sale is to be documented by an affidavit executed by the purchaser, at the time of purchase, to the effect that the quantity and type of distilled spirits or wine purchased is to be used exclusively in the manufacture of food products or medicines. The affidavits are to be kept on file at the wholesaler's premises.

f. Distilled spirits and wines destroyed under the supervision of a Division of Alcohol, Tobacco & Special Taxes Employee. The destructions must be documented by an affidavit executed by a Division employee. The affidavit must be kept on file at the wholesaler's premises.

g. Breakage of distilled spirits and wine either while in transit to the wholesaler's premises or while in his warehouse. Under no circumstances will breakage be allowed on goods which have left the wholesaler's warehouse. In order to qualify for tax exempt status this

breakage must be inspected and approved by an employee of the Division. All broken bottles must be retained in the original carton or cases. Also, every bottle claimed as breakage must have an unbroken Federal strip stamp or cap seal. After inspection by a Division employee, breakage may be disposed of by the wholesaler. The burden of proof for establishing breakage allowances is upon the wholesaler. Any breakage that does not meet the above standards set by the Division will not be allowed as tax exempt. Affidavits may be required in order to document the breakage. These affidavits are to be executed by the Division employee and kept on file at the wholesaler's premises.

7. Sales of alcoholic beverages by type to retailers for the month.

NOTE: Wholesalers may subtract from the amount of their taxable sales the amount of the products returned by retail dealers. However, credit memos must have been prepared and kept in numerical order on file at the wholesaler's premises. No allowance will be given for breakage returned from retailers.

8. Miscellaneous taxable usage. This includes such items as saleman's samples and pilferage.

9. A computation of excise taxes due which shall be based on the total taxable sales, by type of alcoholic beverage, multiplied by the appropriate tax rate.

Overpayments of tax for prior periods as determined by audit may be deducted from the tax due. Notations in the form of audit credit must accompany the return.

C. An example of a completed LB-56 form is contained in the Appendix of these rules. Blank copies of this form and all other forms described in these rules may be obtained from the Division.

1.9006: MONTHLY REPORT FOR MANUFACTURERS, WHOLESALERS AND IMPORTERS.

A. A monthly report, Form LB-37, must be filed with the Commissioner by all manufacturers, wholesalers and importers licensed to ship distilled spirits and/or wine into Minnesota. This report is an informational return. No payment of any tax is required to be sent in with this report. The report must be filed no later than the 10th day of the following month, regardless of whether or not any shipments were made into Minnesota during the previous month. If this return is not filed the Director is to notify the Department of Public Safety, Liquor Control Division that the manufacturer, wholesaler or importer has not complied with the terms of his or her licensing agreement under Minn. Stat. §340.113, subd. 2. The Commissioner of Public Safety is permitted to revoke or fail to renew licenses of manufacturers, wholesalers and importers who do not obey the law.

B. The monthly report for manufacturers, wholesalers and importers must include the following information:

1. Name, address of the manufacturer, wholesaler or importer and the month for which the report is being made.

2. Details of the shipment of alcoholic beverages into Minnesota during the month, specifying the consignee and the quantity, by type of alcoholic beverage, in each shipment.

3. Complete records of such shipments and transactions must be maintained by the manufacturer, wholesaler, or importer for a period of two years after the date of each transaction.

C. An example of a completed LB-37 form is contained in the Appendix of these rules.

1.9007: RECORDS TO BE KEPT.

A. In order to insure the orderly administration of the Minnesota excise tax law on alcoholic beverages, certain record keeping procedures will be required of all wholesalers, retailers and persons manufacturing, storing, or selling alcoholic beverages in the State. The records kept must include all normal books of account ordinarily maintained by the average prudent businessman engaged in the appropriate phase of the alcoholic beverage business. Also, all bills, receipts, invoices, cash register tapes, or other documents of original entry supporting the entries in the

books of account as well as all schedules or working papers used in connection with the preparation of the excise tax return must be kept.

1. Microfilm reproduction of general books of account will not be accepted in place of original records unless all phases of the microfilming process including preservation, indexing, cross referencing, location and inspection have received prior written approval from the Director.

2. Electronic Data Processing (E.D.P.) records must include a method of producing visible and legible records from the machine - sensible records which will provide the necessary information for the verification of the taxpayer's excise tax liability. All machine-sensible records which are material in the administration of the Liquor Tax Law are required to be maintained and retained in the same manner as printed records. In addition all E.D.P. accounting systems must provide:

   a. A general ledger with source references.

   b. An identifiable audit trail.

   c. The capability of tracing any transaction back to the original source or forward to a final total.

   d. Adequate record retention facilities for the storage of all supporting documents.

e. A general description of the workings of the E.D.P. system itself including: programming technique, codes, glossary, abbreviations used, standard operating and control procedures, change log, and operator instructions.

B. In addition to the requirements set forth in Section A above, every retail dealer must keep a record, in book form, showing all distilled spirits, wine and fermented malt beverage received on his or her premises, the quantity of the beverages, and from whom received; or he must keep all invoices and bills for distilled spirits, wine and beer received.

C. In addition to the requirements described in Section A above, all wholesale distributors are required to maintain:

1. Receiving reports. Wholesale distributors must prepare a receiving report upon receipt of each shipment of distilled spirits and wines imported into the state in containers or in bulk and under manifest, or purchased from other wholesalers or distributors within the state, or produced from bulk by the wholesaler. Each receiving report shall be numbered and filed in numerical order. On shipments from outstate the manifest or bill of lading number assigned to that shipment must be recorded on the receiving report. The contents of the receiving report must be the same as shown on the manifest or bill of lading. If the contents shown on the receiving report differs from the manifest or bill of lading, a full and complete explanation of the difference must be attached to the receiving report.

2. Inventories. On June 30 and December 31st of each year certified physical inventories must be taken of all distilled spirits and wine in the possession of the wholesaler. The results of these certified inventories must be filed with the Commissioner on a form approved by the Director, together with the wholesalers monthly excise tax report for June and December. This inventory statement must show the number of liters for each type of alcoholic beverage together with a count of bottles and miniatures. Wholesalers having bulk amounts of distilled spirits or wines must file separate inventories of bulk and bottled products. Dates other than those mentioned above, special inventory forms and/or waiver of one inventory date are permitted if prior written approval is received from the Director.

3. Record of sales and deliveries. Wholesale distributors shall prepare invoices, delivery tickets and/or bills of lading for each sale or delivery of distilled spirits or wine and shall retain copies in numerical order or by customer name. These records shall include the customer's name and address and the point of delivery. These records must include any non-taxable sales or dispositions that may be allowed as an exemption under Rule 1.9005 B(6).

4. Production and/or bottling records. Minnesota licensed manufacturers and wholesale distributors that bottle or rectify distilled spirits or wines must prepare daily bottling and rectification reports. These reports are to show the quan-

tities of bulk product used and the quantities bottled each day and the total for the month. A copy of the bottling report must be attached to the Minnesota Excise Tax Report Form LB-56.

Finished bottled products are to be transferred from the bulk product to the regular stock, by receiving the bottled liters and bottles in the purchases section of the Minnesota Excise Tax Report, form LB-56. Individual receivings by bottling lots are preferable in certain operations, but a single receiving for the month based on the bottling report is permitted.

Minnesota bottlers of wine are permitted to exempt a certain amount of volume from the tax for leakage which occurs during the transportation of wine in bulk into the state and for wastage during the process of bottling. However, such claims are not permitted to be more than two percent of the volume imported or processed in any one calendar year. An affidavit must be sent in for each claim. This affidavit must accompany the Monthly Excise Tax Report for the month in which the leakage or wastage occurred.

D. All records required to be kept must be maintained in good order and readily accessible for a period of four years. However, records can be destroyed earlier than four years if written approval is received from the Director.

E. The Commissioner or his duly authorized employee can, by law, examine all the above-mentioned books, papers and records in order to determine whether the correct amount of excise tax on alcoholic beverages has been paid. This inspection may be carried out at the premises of the manufacturer, wholesaler, retailer, or at another location where these records are maintained.

1.9008: BONDS REQUIRED.

A. Under Minn. Stat. §340.485 subd. 2, wholesalers of distilled spirits and wine are required to file a surety bond with the Commissioner. Bonds must be for a period of one year, beginning July 1 and ending June 30 of each year. The bonds must be filed with the Commissioner no later than June 20 of the year before the bond is effective. The amount of bond required of each wholesaler and the forms of bond required will be furnished to each wholesaler by June 1 of each year.

After the bond has been acknowledged by the principal and been approved and acknowledged by the surety, two copies must be mailed to the Director.

B. The amount of the bond is to be computed by the Director. The amount is not to be more than two times the wholesaler's average monthly excise tax liability for the preceding calendar year. The bond for a new wholesaler is to be set at an amount not to exceed an estimated two month tax liability.

C. The Director may, upon written application from the wholesaler, waive this bonding requirement. In place of the bond, the Director may permit a certified check to be used. This check must be made in favor of the Commissioner and will be kept in the office of the Director. It must be drawn for an amount equal to a comparable surety bond for the particular wholesaler. The Department of Revenue is to pay no interest on funds encumbered by this check.

1.9009: RESERVED FOR FUTURE USE.

Chapter II - Assessment and Collection of Excise Taxes on Fermented Malt Beverages; Returns and Reports Required; and Records To Be Kept.

1.9010: EXCISE TAX ON FERMENTED MALT BEVERAGE.

A. An excise tax must be paid on fermented malt beverages sold for beverage purposes within the State of Minnesota. This excise tax is to be paid by the brewer of malt beverages brewed in Minnesota; or by the wholesaler or out of state brewer of malt beverages imported into the state. The tax must be paid to the Commissioner at the rates under Minn. Stat. §340.47. Credits applying to the tax are also described in Minn. Stat. §340.47. No Minnesota excise tax is to be paid on malt beverages:

1. Sold and shipped into interstate commerce by Minnesota businesses;

2. Transferred in bond from one brewery, to another. However, U.S. Government Form ATF 2035 must be properly filed with the appropriate federal agency documenting such a transfer. Excise tax becomes due on these shipments when they leave the bonded premise of the brewery for shipment to a Minnesota wholesaler or retailer.

3. Distributed to brewery employees for consumption on brewery premises under a contract of employment;

4. Given away without a charge of any kind for consumption on brewery premises.

5. Sold to qualified, approved military clubs.

B. The official standard of measure for fermented malt beverages is to be the barrel.

1.9011: MONTHLY REPORT AND TAX RETURN FOR FERMENTED MALT BEVERAGES.

A. Licensed Minnesota brewers and out of state brewers or importers must file monthly, with the Commissioner, form LB-128. This report must be filed no later than the 15th day of the month and is to be made for all sales of fermented malt beverage within, or imported into, Minnesota for the preceding calendar month. The amount of excise tax to be paid on the sale or importation of these malt beverages must be sent in together with form LB-128. Failure to file this return and pay the tax on time will result in penalties described in Minn. Stat. §340.492.

B. The LB-128 report is to contain the following information:

1. Name, Minnesota Identification Number, and address of the brewer or importer; and the month for which the report is being made.

2. Number of barrels of 3.2 and strong beer sold or shipped into Minnesota during the month, and the amount of tax to be paid on each class of beer.

3. Form LB-128 may be supplemented by certain E.D.P. printouts if prior approval is received from the Director.

C. Malt beverages destroyed under supervision of a Division of Alcohol, Tobacco and Special Taxes Division employee are exempt from Minnesota tax. However, duplicate affidavits must have been executed by an employee of the Division. One copy of the affidavit must be filed with the LB-128 report; and one copy to be retained by the brewer or importer.

D. An example of a completed LB-128 form is contained in the Appendix of these rules.

E. The monthly LB-128 form must be accompanied by one or more of the following forms which detail the monthly operation of the brewer or importer.

1. Out of state brewers and wholesale malt beverage dealers must file, in connection with the LB-128, a monthly report, form LB-51, for all shipments into the state during the previous month. These reports are to contain the following information:

a. Name, Minnesota Identification Number, and address of the brewer or importer; and the month for which the report is being made.

b. Taxable sales to licensed Minnesota Wholesalers.

c. Non tax-paid shipments to licensed Minnesota wholesalers, for later delivery to other states or for tax exempt sale within the state to duly authorized common carriers or military clubs. Each of these non tax-paid shipments must be supported by an affidavit, or by a duplicate copy of the invoice. These documents must be filed with the report.

d. The amount of excise tax must be determined on the taxable sales at the rates described in Minn. Stat. §340.47.

e. An example of a completed LB-51 form is contained in the Appendix of these rules.

2. Minnesota Brewers must file, in connection with the LB-128 form, monthly reports for 3.2 beer on form LB-88 and for strong beer on form LB-89. These reports must contain the following information:

a. Name, Minnesota Identification Number and address of the brewer; and the month for which the report is being made.

b. The brewer's beginning and ending inventory.

c. Barrels of beer manufactured.

d. Tax exempt sales, which include:

1) Beer consumed on the brewery premises by employees or others as provided in Minn. Stat. §340.47, Subd. 2.

2) Beer sold tax exempt to duly authorized common carriers or military clubs. Receipted invoices or properly executed bills of lading must be kept on file to verify each claim.

3) Beer sold or exported to authorized dealers in other states. These sales must be individually recorded on Supplemental Form 88 or 89. Invoices and properly executed bills of lading must be on file to verify each shipment. Exemption is also dependent on the report made by the consignee to the liquor tax authority in the respective state, stating the quantities of beer received in each shipment.

4) Beer sold to Minnesota licensed wholesalers for later delivery into other states.

5) Beer destroyed as approved by the Federal Government, or the Department of Revenue.

e. Taxable sales, which include:

1) Beer sold to duly licensed retailers.

2) Beer having not more than 3.2 percent alcohol by weight sold to consumers as provided in Minn. Stat. §340.02, subd. 7.

3) Beer sold to wholesalers authorized to sell beer in Minnesota.

f. Excise tax is to be computed on the taxable sales rate applying the credits as specified by Minn. Stat. §340.47.

g. An example of a completed Minnesota Brewers report LB-89 together with supplemental sheet is contained in the Appendix of these rules.

1.9012: MONTHLY REPORT FOR MINNESOTA MALT BEVERAGE WHOLESALER.

A. Minnesota Wholesale distributors of malt beverages must file monthly informational reports with the Commissioner no later than the 15th of the following month. For Minnesota tax paid malt beverages, form LB-52C must be completed. For non tax-paid malt beverages form LB-66 shall be used. Both of these reports must contain the following information:

1. Name, Minnesota Identification Number, and address of the wholesaler, and the month for which the report is being made.

2. Inventories; beginning and ending each month.

3. Quantities purchased, and from whom purchased.

4. Quantities sold. In addition, the name of the person to whom sold must be listed on form LB-66.

B. Failure to file these reports will result in the Director notifying the Department of Public Safety, Liquor Control Division, that the wholesaler is not complying with the terms of his licensing agreement. The Commissioner of Public Safety is permitted to revoke or not renew licenses of wholesalers who do not obey the law.

C. Examples of completed Malt Beverage Wholesalers form LB-52C and LB-66 are contained in the Appendix of these rules.

D. Non tax-paid beer in the possession of a Minnesota wholesale beer distributors may be transferred to his or her tax-paid inventory upon filing with the Commissioner form LB-128 together with the payment of the tax due.

E. Wholesalers who import beer direct from foreign countries must file with the Commissioner form LB-128 together with monthly report form 52C. These forms and the payment of the excise tax are due by the 15th day of the month on all beer imported into the state during the preceding month.

1.9013: RECORDS TO BE KEPT.

A. The same requirements that are contained in Rule 1.9007, Section A,

pertain to Minnesota licensed brewers, wholesalers and importers of fermented malt beverage.

B. Certified physical inventories are not required. However, if a physical inventory of the stock of a Minnesota brewer, wholesaler, or importer is taken, either by the person himself or by a Federal agency, the results of that inventory must be forwarded to the Director.

C. All records must be maintained in accordance with Rule 1.9007 Section D.

D. Examination of books and records of brewers, wholesalers, and importers can be made under the procedure set forth in Rule 1.9007, Section E.

1.9014: RESERVED FOR FUTURE USE.

Chapter III - Common Carriers Licensed to Sell Intoxicating Liquor; and Assessment and Collection of Excise Taxes on Distilled Spirits, Wine, and Malt Beverage.

1.9015: COMMON CARRIERS.

A. The Commissioner of Public Safety is permitted, under Minn. Stat. §340.11, subd. 3 and Minn. Stat. §340.14, subd. 5, to issue a license to sell intoxicating liquor to bona fide passengers being transported in interstate or intrastate commerce. Licensed common

carriers are permitted to purchase intoxicating liquor and non-intoxicating malt beverages from licensed Minnesota wholesalers as a tax exempt purchaser. The wholesaler may deduct quantities sold to common carriers from the tax computation on LB form 56 by listing the sales on that form. However, the common carrier becomes liable for the excise tax, at the rates specified by Minn. Stat. §340.47, on all alcoholic beverages sold within Minnesota.

1.90J6: MONTHLY REPORT AND TAX RETURN FOR COMMON CARRIERS.

A. Common Carriers licensed by the Commissioner of Public Safety must maintain a daily record of all distilled spirits, wines and malt beverages sold within the State of Minnesota. Also, licensed common carriers must file monthly reports on LB Form 123 for the total sales of liquor, wine and beer; together with the tax payment on the sales by the 10th day of the following month. Failure of a Common Carrier to submit reports and tax payments timely will make him subject to such penalties described in Minn. Stat. §§340.485 and 340.492. The LB-123 report must contain the following information:

1. Name, Minnesota Identification Number, and address for the Common Carrier, and the month for which the report is being made.

2. Quantity of distilled spirits, wine, and malt beverages sold during the month and the tax due utilizing the appropriate tax rate.

B. A common carrier is permitted to use a formula for the allocation of the total sales of alcoholic beverages between states on the basis of passenger miles or some other method of allocation if written approval is received from the Director. The Director may approve the plan if he is convinced that the allocation properly apportions the sales to the respective states.

C. An example of a completed Common Carrier LB 123 form is contained in the Appendix of these rules.

1.9017: RESERVED FOR FUTURE USE.

APPENDIX

EXAMPLES AND EXHIBITS.

Following are examples of the properly completed reports that must be sent in to the Department of Revenue. The forms are offered for purposes of illustration only. Minor changes or revisions may be made in the forms from time to time. However, these changes should not affect the illustrative purpose of these rules. If major changes are made, a new example will be inserted into the regulations. All forms used in the administration of the Minnesota excise tax on alcoholic beverages are available from the Division.

STATE OF MINNESOTA)
) ss.
DEPARTMENT OF REVENUE)

On October 23, 1978, I deposited in Inter-Office Mail and the U. S. Postal Service a copy of the Notice of Hearing of the proposed rules governing the Alcoholic Beverage Excise Tax to all parties listed on the Secretary of State list, to all parties paying alcoholic beverage excise tax to the Department of Revenue and to certain other interested parties. Such mailings were sent first class postage paid.

Howard W. Anderson

HOWARD W. ANDERSON, Director
Alcohol, Tobacco and Special Taxes Division

Subscribed and sworn to before me this Seventh
day of November, 1978

Lennea A. Lopez Notary Public
Ramsey County, Minnesota
My commission expires November 1, 1984

LENNEA A. LOPEZ
NOTARY PUBLIC—MINNESOTA
RAMSEY COUNTY
My Commission Expires Nov. 1, 1984.

Dept's 5

Recd
11/8/78
sm

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NOV 2 1978
OFFICE OF HEARING
EXAMINERS

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Howard W. Anderson, being first duly sworn, deposes and says that he is the Director, Alcohol, Tobacco and Special Taxes Division, Minnesota Department of Revenue, and as such is charged with the responsibility for mailing of Notice of Hearing to all interested parties in the matter of the proposed adoption of rules governing the alcoholic beverage excise tax. As such affiant has caused to be mailed or sent inter-office messenger a Notice of Hearing to each person named on the attached list.

Further affiant sayth not.

Howard W. Anderson

HOWARD W. ANDERSON, Director
Alcohol, Tobacco and Special Taxes Division
Minnesota Department of Revenue

Subscribed and sworn to before me this [illegible]
day of October, 1978

[illegible] Notary Public

[illegible] County, Minnesota

My commission expires [illegible]

[illegible] Expires Nov. 1, 1984.

Dept's [illegible] 2

STATE OF MINNESOTA

DEPARTMENT OF REVENUE

IN THE MATTER OF the proposed of rules of the Department of Revenue governing the alcohol beverages excise taxes:

AFFIDAVIT OF RECEIPT OF THE SECRETARY OF STATE'S LIST

Dale H. Busacker, being duly sworn on oath, deposes and says:

1. That he is an employee of the Revenue Department of the State of Minnesota.

2. That on the 18th day of October he went to the Secretary of State's office for the State of Minnesota and requested a current list of all representatives of associations, or other interested groups or 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 M.S. 15.0412.

3. That on the 18th day of October, in response to the above request, the Secretary of State provided him with such list, a copy of which is attached hereto and incorporated by reference.

Further, affiant sayeth not.

Dale H. Busacker

Subscribed and sworn to before me this 8th day of November, 1978.

Katherine J. Zimmerman

KATHERINE J. ZIMMERMAN
NOTARY PUBLIC—MINNESOTA
RAMSEY COUNTY
My Commission expires April 26, 1985

Dept's R

Recd 11/8/78 Sen

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STATE OF MINNESOTA
COUNTY OF RAMSEY

CERTIFICATE

In the matter of the Proposed Adoption
of Rules of Revenue Dept. ~~Division~~
Governing Alcoholic Beverage Excise Tax

I hereby certify that the attached 579 labels 3 sheets constitute the complete list of persons, associations, and other interested groups who as of 10:15 o'clock A .M, this 18th day of October, 1978, have requested pursuant to M.S. 1974, 15.0412, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed rules on the subject captioned above.

Secretary of State
Joan Anderson Growe

By Dennis Scott

Dept's K

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STATE OF MINNESOTA

DEPARTMENT OF REVENUE

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES)
OF THE DEPARTMENT OF REVENUE GOVERNING THE)
ALCOHOLIC BEVERAGE EXCISE TAX)

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that a public hearing in the above-entitled matter will be held in Conference Room A, First Floor, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101, on November 29, 1978, commencing at 9:00 a.m. and continuing until all persons have had an opportunity to be heard.

All interested or affected persons will have an opportunity to participate. Statements may be made orally and written materials may be submitted at the hearing. In addition, written materials may be submitted by mail to Steve Mihalchick, Office of Hearing Examiner, Room 300, 1745 University Avenue, St. Paul, Minnesota 55104, (612) 296-8112, either before the hearing or within five days after the close of the hearing.

The proposed rules, if adopted, would govern the assessment and collection of the alcoholic beverage taxes that are now being administered by the Department of Revenue as a result of Laws of 1976, Chapter 5, which repealed the Department of Liquor Control and transferred the duties to the Department of Public Safety and to the Department of Revenue. Generally these rules relate to the assessment and collection of the excise taxes on distilled spirits and wines, returns and reports required, records to be kept, and bonds needed. The rules also relate to the assessment and collection of excise taxes on fermented malt beverages, returns and reports required and records to be kept. Another subject of the rules concerns a common carrier's license to sell intoxicating liquor and the assessment and collection of excise taxes on distilled spirits, wines and malt beverage that a common carrier sells. The proposed rules, if adopted, would also require the use of metric standards to determine the excise tax on distilled spirits and wine beginning January 1, 1979.

Dept's Exhibit No. J
File No.

Copies of the proposed rules are now available, and one free copy may be obtained by writing to Howard Anderson, Director, Alcohol, Tobacco and Special Taxes Division, 9th Floor, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101, (612) 296-3482. Additional copies will be available at the door on the date of the hearing. The agency's authority to promulgate the proposed rules is contained in Minnesota Statutes 1976, 340.485, Subdivisions 1 and 3, and 340.492 and in Minnesota Statutes, 1977 Supplement, Section 340.47, Subdivision 2b.

Notice is hereby given that 25 days prior to the hearing a statement of need and reasonableness will be available for review at the agency and at the Office of Hearing Examiners. This statement of need and reasonableness will include a summary of all of the evidence which will be presented by the agency at the hearing justifying both the need for and the reasonableness of the proposed rules. Copies of the statement of need and reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

Minnesota Statutes, Chapter 10A requires each lobbyist to register with the Ethical Practices Board within five days after commencing lobbying. "Lobbyist" means any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than $250, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

"Lobbyist" does not include any:

(a) Public official or employee of the state or any of its political subdivisions or public bodies acting in his official capacity.

(b) Party or his representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(c) Individual while engaged in selling goods or services to be paid for by public funds;

(d) News media or their employees or agents while engaged in the publishing or broadcasting of news items, editorial comments or paid advertisments which directly or indirectly urge official action;

(e) Paid expert witness whose testimony is requested by the body before which he is appearing but only to the extent of preparing or delivering testimony; or

(f) Stockholder of a family farm corporation as defined in section 500.24, subdivision 1, who does not spend over $250, excluding his own travel expenses in any year in communicating with public officials.

Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, phone number (612) 296-5615.

Notice: all persons have the right to be notified of the date on which the hearing examiner's report will be available after which date the agency may not take any final action on the rules for a period of five working days. All persons have the right to be informed of the date on which the hearing record has been submitted to the Attorney General by the agency. If you desire to be so notified, you may do so by indicating at the hearing or by written request sent to the hearing examiner prior to the close of the record.

Arthur C. Roemer

Arthur C. Roemer
Commissioner of Revenue

Dated: October 5, 1978

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EXAMINERS

STATE OF MINNESOTA

DEPARTMENT OF REVENUE

IN THE MATTER OF THE PROPOSED ADOPTION OF)
RULES OF THE DEPARTMENT OF REVENUE GOVERNING) ORDER FOR HEARING
THE ALCOHOLIC BEVERAGE EXCISE TAX)

IT IS HEREBY ORDERED that a public hearing on the above-captioned rules be held in Conference Room A, First Floor, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101, on November 29, 1978, commencing at 9:00 a.m. and continuing until all persons have had an opportunity to be heard.

IT IS FURTHER ORDERED that a Notice of Hearing be mailed to all persons or representatives of associations or other interested groups who have registered their names with the Secretary of State for that purpose.

IT IS FURTHER ORDERED that the Notice of Hearing be published in the State Register.

Arthur C. Roemer

Arthur C. Roemer
Commissioner of Revenue

Date: October 5, 1978

Dept's Exhibit No. I
FILE

STATE REGISTER

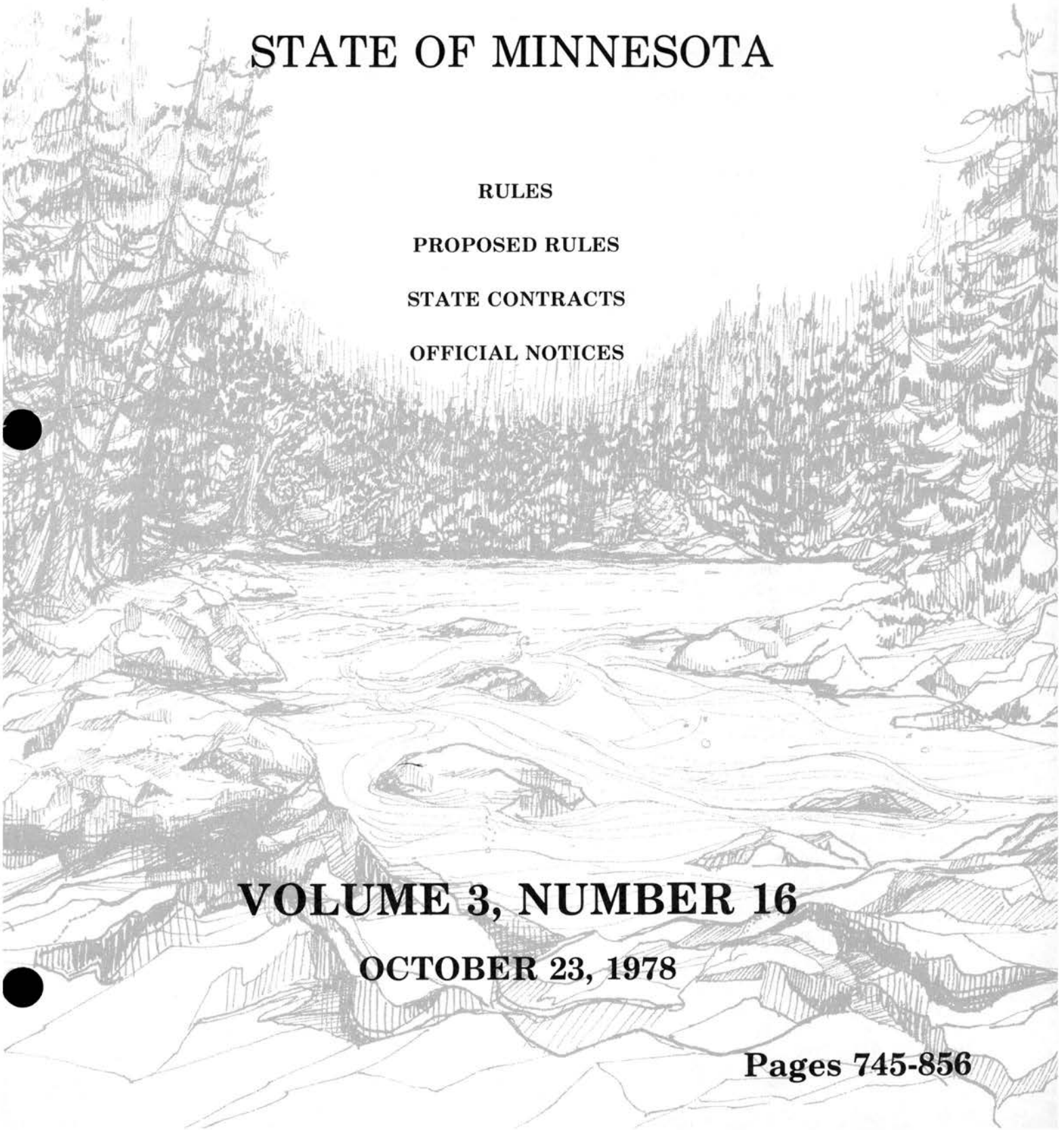
STATE OF MINNESOTA

RULES

PROPOSED RULES

STATE CONTRACTS

OFFICIAL NOTICES



VOLUME 3, NUMBER 16

OCTOBER 23, 1978

Pages 745-856

STATE REGISTER

Printing Schedule for Agencies

Issue Number	*Submission deadline for Executive Orders, Adopted Rules and Proposed Rules	*Submission deadline for State Contract Notices and other **Official Notices.	Issue Date
	SCHEDULE FOR VOLUME 3		
17	Monday Oct 16	Monday Oct 23	Monday Oct 30
18	Monday Oct 23	Monday Oct 30	Monday Nov 6
19	Monday Oct 30	Friday Nov 3	Monday Nov 13
20	Monday Nov 6	Monday Nov 13	Monday Nov 20
21	Monday Nov 13	Friday Nov 17	Monday Nov 17

*Deadline extensions may be possible at the editor's discretion; however, none will be made beyond the second Wednesday (12 calendar days) preceding the issue date for rules, proposed rules and executive orders, or beyond the Wednesday (5 calendar days) preceding the issue date for official notices. Requests for deadline extensions should be made only in valid emergency situations.

**Notices of Public Hearings on proposed rules are published in the Proposed Rules section and must be submitted two weeks prior to the issue date.

Instructions for submission of documents may be obtained from the Office of the State Register, Suite 415, Hamm Building, 408 St. Peter Street, St. Paul, Minnesota 55102.

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The *State Register* is the official publication of the State of Minnesota, containing executive orders of the governor, proposed and adopted rules of state agencies, and official notices to the public. Judicial notice shall be taken of material published in the *State Register*.

The State of Minnesota has reserved a copyright to cross-reference tables, tables of contents, indices, numerical lists and codification guides, as provided in RGSTR 7 of the rules of the Office of the State Register.

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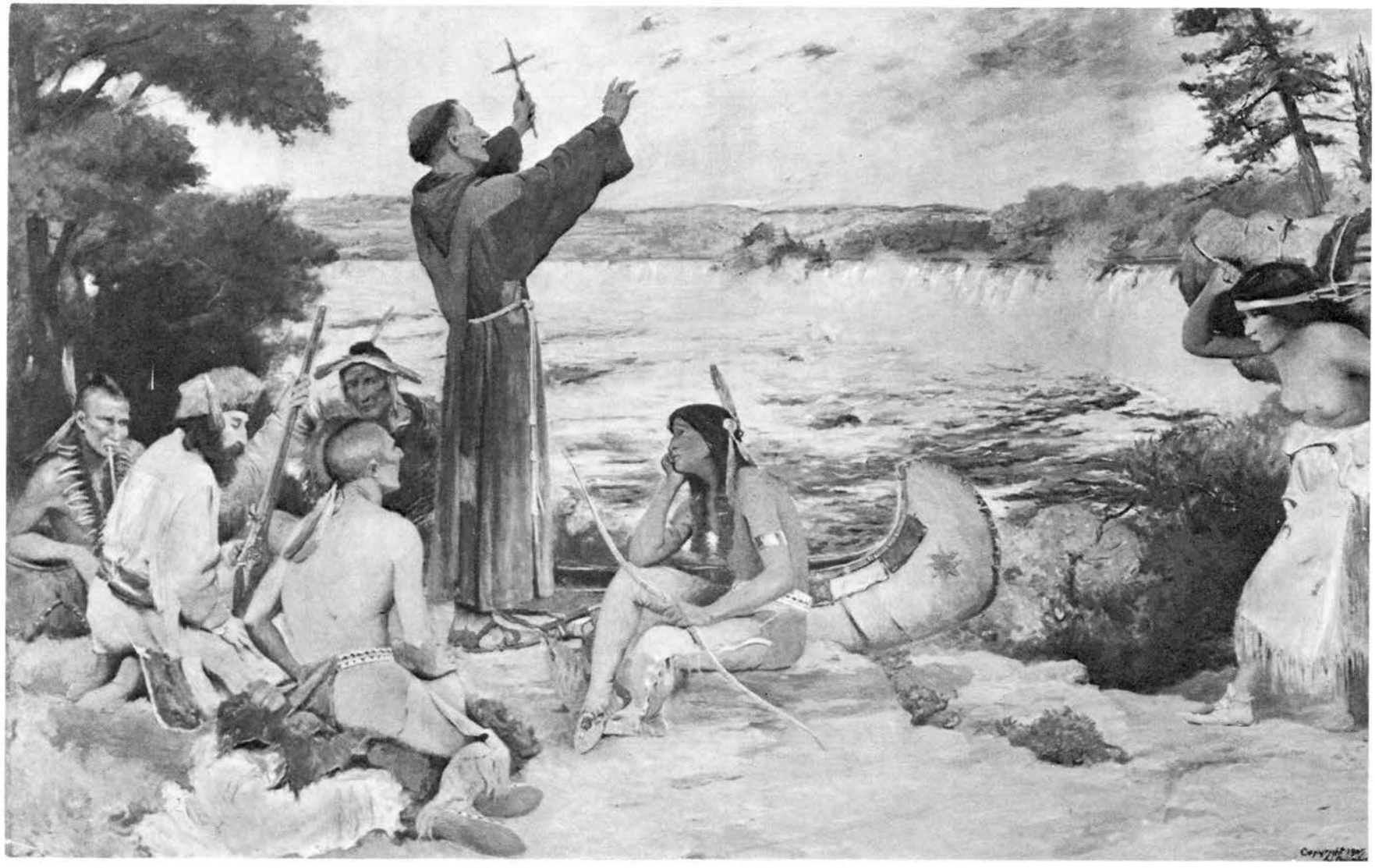

"Father Hennepin Discovering St. Anthony Falls," by Douglas Volk, hangs on the east wall of the Governor's reception room at the Capitol. Volk organized the Minneapolis School of Art (now the Minneapolis College of Art and Design) in 1886. Father Louis Hennepin was taken prisoner by the Dakota near Lake Pepin in 1679, but was so kind and cooperative that the chiefs allowed him to descend the river for dispatches from explorer Rene de LaSalle. Upon reaching the sacred falls of the Dakota, Minirara — "curling water" — he renamed it for St. Anthony of Padua. Hennepin's companion, Picard du Gay, is kneeling to his left, and the woman approaching with a pack on her back signifies that a portage has just been made around the falls. (Courtesy of The Catholic Historical Society of St. Paul housed in the John Ireland Memorial Library at The Saint Paul Seminary)

MCAR AMENDMENTS AND ADDITIONS

The following is a listing of all proposed and adopted rules published in this issue of the *State Register*. The listing is arranged in the same order as the table of contents of the *Minnesota Code of Agency Rules* (MCAR). All adopted rules published in the *State Register* and listed below amend the rules contained in the MCAR set. Both proposed temporary and adopted temporary rules are listed here although they are not printed in the MCAR due to the short term nature of their legal effectiveness. During the term of their legal effectiveness, however, adopted temporary rules do amend the MCAR. A cumulative listing of all proposed and adopted rules in Volume 3 of the *State Register* will be published on a quarterly basis and at the end of the volume year.

TITLE 2 ADMINISTRATION
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Building Code Division

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The adoption of a rule becomes effective after the requirements of Minn. Stat. § 15.0412, subd. 4, have been met and five working days after the rule is published in the *State Register*, unless a later date is required by statutes or specified in the rule.

If an adopted rule is identical to its proposed form as previously published, a notice of adoption as proposed and a citation to its previous *State Register* publication will be printed.

If an adopted rule differs from its proposed form, language which has been deleted will be printed with strike outs and new language will be underlined, and the rule's previous *State Register* publication will be cited.

A temporary rule becomes effective upon the approval of the Attorney General as specified in Minn. Stat. § 15.0412, subd. 5. Notice of his decision will be published as soon as practicable, and the adopted temporary rule will be published in the manner provided for adopted rules under subd. 4.



The Gibbs Farm Museum at 2097 W. Larpenteur includes the oldest remaining farmhouse in Ramsey County. It was built in 1854 by Heman and Jane DeBow Gibbs, who paid $1.25 an acre for the 160 acres of land. The original one-room house is furnished as it might have looked when built. The remainder of the house, added by the Gibbs in later years, contains Victorian era furnishings, some of which belonged to the family. The museum also includes a 19th-century one-room schoolhouse, a shop stocked by local artisans, and two barns housing agricultural and historical displays. (Courtesy of Ramsey County Historical Society)

Department of Administration Building Code Division

Adopted Rules Relating to the Adoption by Reference of the 1978 Edition of the National Electrical Code as Approved by the American National Standards Institute (ANSI C1-1978) Amending SBC 8601

The rules proposed at *State Register*, Volume 2, Number 46, pp. 2087, May 22, 1978 (2 S.R. 2087) are adopted as proposed with the following amendments.

NEC Section 700-6(b)(3) is amended to read as follows:

Prime movers ~~shall not~~ may be solely dependent upon a public utility gas system for their fuel supply when the Building Official determines that there is low probability of a simultaneous failure of both the off-site fuel delivery system and power from the outside electrical utility company. Means shall be provided for automatically transferring from one fuel supply to another where dual fuel supplies are used. When such a public utility gas system is approved by the Building Official, the requirement for an on-site fuel supply of two hours is not required. A public utility gas system shall not be an approved fuel supply for prime movers in buildings which are located in a designated flood plain area or in areas designated other than sesmic zone "0."

NEC Section 800-3(d) is amended to read as follows:

(d) Location. Circuits and equipment installed in ducts and plenums shall also comply with Section 300-22 as to wiring methods.

Exception #1: Conductors listed as having adequate fire-resistant and low-smoke producing characteristics shall be permitted for ducts, hollow spaces used as ducts, and plenums other than those described in Section 300-22(a).

Exception #2: In existing buildings of Group A and B occupancies, communication circuits may be installed in existing suspended ceiling plenums used for environmental air if the construction of the affected floor or level of the building does not exceed 50% of the value of new construction of that floor or level within a twelve month period.

All such communication wiring shall be grouped and shall be independently supported from the structure. All such communication wiring when abandoned shall be removed. This exception shall not apply if the building official determines that such installation constitutes an increased hazard to life and/or property. This exception shall not apply when listed conductors are available.

The conductors referred to in this section would ordinarily be insulated, but the kind of insulation is not specified as reliance is placed on the protective device to stop all dangerous voltages and currents.

Department of Administration Building Code Division

Adopted Amendments to the State Building Code

The rules proposed and published at *State Register*, Volume 2, Number 16, pp. 837-890, October 24, 1977 (2 S.R. 837), were published as adopted with amendments, at *State Register*, Volume 3, Number 10, pp. 382-385, September 11, 1978 (3 S.R. 382).

The adopted amendments of the State Building Code are being published in their entirety in this issue in order to make the complete set immediately available.

The State Building Code, to be known as the "Code", includes several documents or codes pertaining to buildings. They are as follows:

1. State Building Code regulations known and identified by the prefix "SBC."

2. SBC adopting by reference the following codes:

(a) 1976 Edition of the Uniform Building Code, identified as "UBC;"

(b) 1975 National Electrical Code, identified as "NEC;"

(c) 1971 American National Standard Safety Code for Elevators, Dumbwaiters, Escalators, and Moving Walks, identified as ANSI A17.1-1971 and Supplements ANSI A17.1a-1972, ANSI A17.1b-1973, ANSI A17.1c-1974, ANSI A17.1d-1975, ANSI A17.1e-1975, ANSI A17.1f-1975 and ANSI A17.1g-1976;

(d) 1976 Minnesota Plumbing Code, identified as MHD 120 through MHD 135;

(e) "Flood Proofing Regulations," Office of the Chief Engineers, U.S. Army.

3. SBC Minnesota Heating, Ventilating, Air Conditioning and Refrigeration Code, identified as SBC 7101 through 8505.

4. "Design and Evaluation Criteria for Energy Conservation in New Buildings, Additions and Remodeled Elements of Buildings and Standards for Certain existing Public Buildings," identified as SBC 2 MCAR § 1.16001 through SBC 2 MCAR § 1.16006. (SBC 6007 through SBC 6013 reserved for future use.)

5. State of Minnesota Mobile Home Installation Standards 1977, identified as 2 MCAR § 1.90450 and related definitions in 2 MCAR § 1.90103.

6. Certain appendices which contain the listing of various National Standards referred to in the body of the code; technical requirements for fallout shelters; and various chapters of those codes adopted by reference which chapters may be adopted by municipalities and administered and enforced by such municipalities. The Code is to be used in its entirety by the municipalities in administering and enforcing the Code as well as by designers and builders in their designs and construction of structures. It is necessary to use the entire Code to ensure uniformity in compliance with the Code as well as uniformity in its administration and enforcement.

The above referenced SBC and MHD Codes are available from the Department of Administration Documents Section, 140 Centennial Office Building, St. Paul, Minnesota 55155.

Other codes are available from the publishers of the codes.

(a) Uniform Building Code:

International Conference of Building Officials
5360 South Workman Mill Road
Whittier, California 90601

(b) National Electrical Code:

National Fire Protection Association
470 Atlantic Avenue
Boston, Massachusetts 02110

(c) American National Standard Safety Code for Elevators, Dumbwaiters, Escalators, and Moving Walks:

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American Society of Mechanical Engineers
United Engineering Center
345 East 47th Street
New York, New York 10017

(d) ASHRAE Standard 90-75:

American Society of Heating, Refrigeration,
and Air-Conditioning Engineers Inc.
New York, New York 10017

Each provision of SBC 101 through SBC 111 and 201, 202, 203 and 204 is deleted in its entirety, and the following is adopted in lieu thereof:

Table of Contents

SBC 101 Title

SBC 102 Purpose and Application

SBC 103 Definitions

SBC 104 Scope

SBC 105 Fallout Shelter

SBC 106 State-owned Buildings

SBC 108 Disclaimer Clause

SBC 109 Appendices

SBC 110 Adoption of Flood Proofing Regulations

SBC 111 Adoption of "Uniform Building Code" by Reference

SBC 112 Validity

Minnesota State Building Code

SBC 101 Title: Rules and regulations. The rules and regulations contained in this Code and rules and standards adopted by reference therein shall be collectively known as the Minnesota State Building Code, and may be cited as such and will be referred to herein as "this code".

SBC 102 Purpose and application. The purpose of this Code is to provide uniform standards to safeguard life or limb, health, property and public welfare by regulating and controlling design, construction, quality of materials, use and occupancy of all buildings and structures.

The State Building Code shall apply state-wide and supersede the building code of any municipality. The State Building Code shall not apply to agricultural buildings except with respect to state inspections required or rulemaking authorized.

Wherever the term "Administrative Authority" appears in this Code the words "Building Official" shall be substituted therefor.

Wherever the terms "Mayor" or "City Council" appear in this Code the words "Governing Body" shall be substituted therefor.

1. "City" means a home rule charter or statutory city.

2. "Code" means the State Building Code or any amendments thereof.

3. "Municipality" means any city, county, or town.

4. "Town" shall be defined as a town meeting the requirements of Minn. Stat. § 368.01.

SBC 104 Scope. The provisions of this Code shall apply to the construction, alteration, moving, demolition, repair and use of any building or structure within the municipality, except work located primarily in a public way, public utility towers and poles, mechanical equipment not specifically regulated in this Code, and hydraulic flood control structures.

Additions, alterations, repairs and changes of use or occupancy in all buildings and structures shall comply with the provisions for new buildings and structures except as otherwise provided in UBC Sections 104, 306 and 502 of this Code. Where, in any specific case, different sections of this Code specify different materials, methods of construction or other requirements, the most restrictive shall govern.

Wherever in this Code reference is made to the Appendix, the provisions in the Appendix shall not apply unless specifically adopted.

The provisions of this Code relating to fallout shelters shall apply only to state-owned buildings.

SBC 105 Fallout shelters. Whenever it has been determined by the Department of Public Safety, Division of Civil Defense and the State Architectural Engineer that fall-out protection is needed for a particular location the "Technical Requirements for Fall-Out Shelters" as contained in Appendix "A" shall be complied with.

SBC 106 State-owned buildings. State owned buildings shall mean all buildings and structures financed in whole or in part by state funds and which are under the exclusive jurisdiction and custodial control of one or more state department or agencies.

SBC 107 State plan checking fees. Plan checking of buildings or structures conducted by the Division shall have a fee based on valuation in accordance with Table No. 107-A. "Valuation" means the total cost of construction exclusive of site work not related to the construction.

There shall be no additional fee charge for consultation with designers, or for re-checking provided no substantial change in the design has been made. When, in the opinion of the Division, a substantial change has been made in the design, the re-checking fee shall be based on a rate of $15.00 per hour or fraction thereof. No fee shall be charged for state-owned buildings.

TABLE NO. 107A

VALUATION	PLAN CHECK FEE
$ 3,000.00 or less	No Charge
3,001.00 to 5,000.00	$ 21.00
5,001.00 to 10,000.00	34.00
10,001.00 to 15,000.00	47.00
15,001.00 to 20,000.00	60.00
20,001.00 to 25,000.00	72.00
25,001.00 to 30,000.00	83.00
30,001.00 to 35,000.00	93.00
35,001.00 to 40,000.00	102.00
40,001.00 to 45,000.00	112.00
45,001.00 to 50,000.00	122.00
50,001.00 to 55,000.00	129.00
55,001.00 to 60,000.00	135.00
60,001.00 to 65,000.00	142.00
65,001.00 to 70,000.00	148.00
70,001.00 to 75,000.00	155.00
75,001.00 to 80,000.00	161.00
80,001.00 to 85,000.00	168.00
85,001.00 to 90,000.00	174.00
90,001.00 to 95,000.00	181.00
95,001.00 to 100,000.00	187.00
100,001.00 to 500,000.00	187.00 for the first $100,000.00 plus $1.00 for each additional $1,000.00 or fraction thereof.
500,001.00 and up	577.00 for the first $500,000.00 plus $.65 for each additional $1,000.00 or fraction thereof.

SBC 108 Disclaimer clause. The inclusion of specific requirements relative to the manner of installation of any plant or equipment in any one or more parts of said Code shall not limit this procedure to any particular type of installer nor provide a basis upon which determination of the right to perform such procedures shall be made. The authority for such determination will be found in the various licensing statutes or ordinances for each type of installer who performs the work.

SBC 109 Appendices.

(a) The following appendices, annexes and supplemental material listed in the code shall be mandatory to enforce by any municipality.

1. SBC 111 Appendix "A" Technical Requirements for Fallout Shelter

2. SBC 111 Appendix "B", Variation in Snow Loads

3. 1976 UBC Appendix, Chapters 23, 35

4. Minnesota Plumbing Code Appendix B

(b) The following appendices, annexes and supplemental material listed in the Code shall not be mandatory but may be adopted without change at the discretion of any municipality.

1. SBC 111 Appendix "C", Abbreviations and addresses of Technical Organizations.

2. 1976 UBC Appendix, Chapters, 13, 15, 38, 48, 49, 51, 57 and 70.

3. Minnesota Plumbing Code Appendices A, C, D, E and F.

4. Flood Proofing Regulations, Sections 201.2 through 208.2.

5. SBC 111 Appendix "D", Building Security SBC 4101-4110.

SBC 110 Adoption of "Flood Proofing Regulations." Sections 100 through 1406 of the 1972 Edition of "Flood Proofing Regulations" as promulgated by the Office of the Chief Engineers, U.S. Army, Washington, D.C. is incorporated by reference and hereby made a part of the State Building Code subject to the following amendments:

(Sections 201.2 through 208.2 are placed in the appendix of this Code.)

Section 200.2 is amended to read as follows:

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Official Flood Plain Zoning Map: The Official Flood Plain Zoning Map showing the extent and boundaries of the Primary and Secondary Flood Hazard Areas is hereby declared and established as part of these Regulations. Hereinafter reference to the term Primary Flood Hazard Areas in these regulations shall be synonymous with the term "flood plain areas" as used in the Minnesota Regulations NR 85-93.

Section 200.3 is amended to read as follows:

Regulatory

Flood Datum: For the purpose of these regulations, the Regulatory Flood Datum, or as hereinafter referred to as the "RFD," is hereby declared and established for use as the reference datum for determining the elevation above mean sea level to which flood-proofing protection shall be provided. Hereinafter reference to the term "Regulatory Flood Datum" in these regulations shall be synonymous with the term "flood protection elevation" as used in Minnesota Regulations NR 85-93.

Section 201.1 is amended to read as follows:

Application: These regulations shall apply to the construction, alteration, and repair of any building or parts of a building or structure in the Flood Hazard Area(s) of the municipalities. Additions, alterations, repairs and changes of use occupancy shall comply with all provisions for new buildings and structures as otherwise required in the Building Code, except as specifically provided in these Regulations.

Section 201.2 is amended to read as follows:

Nonconforming Use: A structure or the use of a structure or premises which was lawful before the passage or amendment of the ordinance but which is not in conformity with the provisions of these Regulations may be continued subject to the following conditions:

1. No such use shall be expanded, changed, enlarged or altered in a way which increases its nonconformity.

2. No structural alteration, addition, or repair to any conforming structure over the life of the structure shall exceed 50 percent of its value at the time of its becoming a nonconforming use, unless the structure is permanently changed to a conforming use.

3. If such use is discontinued for 12 consecutive months, any future use of the building premises shall conform to these Regulations. The assessor shall notify the zoning administrator in writing of instances of nonconforming uses which have been discontinued for a period of 12 months.

4. If any nonconforming use or structure is destroyed by any means, including floods, to an extent of 50 percent or more of its assessed value, it shall not be reconstructed except in conformance with the provisions of these Regulations; provided, the Board of Appeals may permit reconstruction if the use or structure is located outside the floodway and is adequately and safely flood-proofed, elevated, or otherwise protected in conformance with these Regulations.

5. Uses or adjuncts thereof which are or become nuisances shall not be entitled to continue as nonconforming uses.

6. Except as provided in "The Building Code," any use which has been permitted as a special exception shall not be deemed a nonconforming use but shall be considered a conforming use.

7. Any alteration, addition, or repair to any nonconforming structure which would result in substantially increasing its flood damage or flood hazard potential shall be protected as required by these Regulations.

8. The Building Official shall maintain a list of nonconforming uses including the date of becoming nonconforming, assessed value at the time of its becoming a nonconforming use, and the nature and extent of nonconformity. This list shall be brought up to date annually.

9. The Building Official shall prepare a list of those nonconforming uses which have been flood-proofed or otherwise protected in conformance with these regulations. He shall present such list to the Board of Appeals which may issue a certificate to the owner stating that such uses, as a result of these corrective measures, are in conformance with these Regulations.

Section 203.3 is amended to read as follows:

Records. Copies of such tests, reports, certifications, or the results of such tests shall be kept on file in the office of the Building Official for a period of not less than two (2) years after the approval and acceptance of the completed structure for beneficial occupancy.

Section 204.6 is amended to read as follows:

Board of Appeals: In order to determine the suitability of alternate materials and methods of construction and to provide reasonable interpretations of the provisions herein, there shall be and is hereby created a Board of Appeals of five (5) members. Each member of the Board shall be a licensed professional architect or engineer, or builder or superintendent of building construction, with at least ten years experience, for five years of which he shall have been in responsible charge of work. At no time shall there be more than two members from the same profession. At least

one of the members shall be a licensed structural or civil engineer with architectural engineering experience. The Board shall adopt reasonable rules for its investigations and shall render written decisions to the Building Official.

Section 204.7 is amended to read as follows:

Validity: It shall be unlawful for any person, firm or corporation or agency (state or local) to erect, construct, enlarge, alter, repair, move, improve, remove, convert, or demolish any building or structure in the Flood Hazard Area(s), or cause the same to be done, contrary to or in violation of any of the provisions of these Regulations and/or "The Building Code."

Section 205.1 is amended to read as follows:

Statement of Intention to Improve: The Owner or any registered architect or licensed professional engineer authorized to represent the Owner shall, before preparing final plans for any improvement in the Flood Hazard Area(s), file with the Building Official a Statement of Intention to Improve, including a brief description of the type of improvement being considered and giving its precise location, on a form provided by the Building Official. The Building Official shall note on two copies the elevation of the RFD at the location of the proposed improvement. One copy of the Statement of Intention to Improve shall be retained by the Building Official until a permit copy for improvement on the site is approved or one year has elapsed; a second copy shall be returned to the Owner for his use in final siting and design of his improvement. Assignments of the RFD elevations at all locations shall be made from profiles and/or cross sections provided by the Army Corps of Engineers, SCS, USGS. This information shall be open to public examination at all reasonable times.

Section 205.2 is amended to read as follows:

Permits Required: No person, firm or corporation shall erect, construct, alter, repair, move, remove, convert, or demolish any building or structure or any part thereof, or make any other improvement within the structure or any part thereof, or make any other improvement within the Flood Hazard Area(s), or cause same to be done, without first obtaining a separate building flood proofing permit for any such improvement from the Building Official. Ordinary minor repairs may be made with the approval of the Building Official without a permit, provided that such repairs shall not violate any provisions of these Regulations or of "The Building Code."

Section 205.3, No. 2 is amended to read as follows:

Two (2) sets of complete plans and specifications, in addition to plans and specifications required by "The Building Code", except that plans and specifications for any and all proposed improvement in the primary Flood Hazard Area(s) shall be prepared by an engineer or architect licensed by the State to practice as such. All drawings and specifications shall bear the name of the author thereof in his true name, followed by such title as he may be lawfully authorized to use. All plans and sections shall be noted with the proposed flood-proofing class of each space below the RFD including detail drawings of walls and wall openings.

Section 205.3 is amended to read as follows:

Two (2) copies of the Owner's Contingency Plan, which shall describe in detail all procedures for temporary placement and removal or contingent protection proposed items in spaces affected by these Regulations including:

1. Plans and schedules for items to be removed and locations of places above the RFD to which they will be removed if these contents violate restrictions associated with the flood-proofing class of the space in which they are placed temporarily, including specific organizational responsibilities.

2. Procedures, materials and equipment for protecting items required to have protection by their flood-proofing class, but for which this protection is proposed to be provided contingently, including specific organizational responsibilities for accomplishing this protection.

Waivers of restrictions implicitly requested by submission of the Owner's Contingency Plan may be granted by the Building Official as provided by 1101.2.

Section 209.1 is amended to read as follows:

New Building and Structures: Every building or structure hereafter erected, that is located in the primary Flood Hazard Area(s) where the ground surface is two (2) feet or more below the RFD, or where flood water velocities may exceed five (5) feet per second, shall be provided with an enclosed refuge space above the RFD, of sufficient area to provide for the occupancy load with a minimum of 12 square feet per person. It shall be provided with one or more exits through the exterior walls above the RFD to an exterior platform and stairway not less than three (3) feet wide.

Section 209.3 is amended to read as follows:

Use of Space Below the Regulatory Flood Datum: No

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floor level or portion of the building or structure that is below the RFD regardless of structure or space classification shall be used for human occupancy, or for storage of any property, materials, or equipment that might constitute a safety hazard when contacted by flood waters.

Section 210.7 is amended to read as follows:

Placard Types: Placards shall be white rigid plastic or other non-water susceptible material eight (8) inches long and twelve (12) inches wide, and shall have printed thereon in black letters the information shown in Figure 2.

Section 300.0 is amended by adding a subsection to read as follows:

Section 300.2 Interpretation. For the purpose of these regulations, where definition of terms as set forth in this Chapter conflict in meaning with those as set forth in Minn. Regs. NR 85(c), the latter shall take precedence.

Section 301.2.9 is amended to read as follows:

Habitable Room: A space used for living, sleeping, eating or cooking, or combination thereof, but not including bathrooms, toilet compartments, closets, halls, storage rooms, laundry and utility rooms, cellars and similar spaces.

Section 301.4.1 is amended to read as follows:

Building Code: The State Building Code setting forth standards for the construction, addition and modification and repair of buildings and other structures for the purpose of protecting health, safety, and general welfare of the public.

Section 402.1 (Table 2) is amended to read as follows:

General: Table 2 indicates the various degrees of protection required to permit use of spaces for each flood-proofing, the chart in itself shall not be construed as being exhaustive with respect to all requirements imposed by these Regulations.

Disputes arising over the interpretation of this chart, the written provisions of these Regulations shall be considered as definitive.

Table 2
SPACE CLASSIFICATION CHART

FLOOD-PROOFING CLASSIFICATION OF SPACES	MINIMUM REQUIREMENTS								
Flood-Proofing Classes	Water-Proofing	Structural Loads	Closure of Openings	Internal Flooding & Drainage	Flooring	Walls and Ceilings	Contents	Electrical	Mechanical
W1 Completely Dry	Type A	Class 1	Type 1	See Chapter 8	Class 1	Class 1	Class 1	See Chapter 12	See Chapter 13
W2 Essentially Dry	Type B	Class 1	Type 2		Class 2	Class 2	Class 2		
W3 Flooded with Potable Water	Type A	Class 2	Type 3		Class 3	Class 3	Class 3		
W4 Flooded with Flood Water	Type C	Class 3	Type 4		Class 4	Class 4	Class 4		
W5 Non-Flood-Proofing	—	—	Type 5		Class 5	Class 5	Class 5		

Section 612.2.1. is amended to read as follows:

Natural Terrain: In addition to the requirements of "The Building Code," the building shall be located not less than fifteen (15) feet back from the line of incidence of the RFD on the ground, foundation design shall take into consideration the effects of soil saturation on the performance of the foundation, the effects of flood waters on slope stability shall be investigated, normal access to the building shall be by direct connections with areas above the RFD and all utility service lines shall be designated and constructed as required to protect the building and/or its components from damage or failure during a flooding event to the RFD.

Section 612.2.2 is amended to read as follows:

Building on Fill: The building and all parts thereof may be constructed above the RFD on an earth fill. Prior to placement of any fill or embankment materials, the area upon which fill is to be placed, including a five-foot strip measured horizontally beyond and contiguous to the toe line of the fill, shall be cleared of standing trees and snags, stumps, brush, down timber, logs and other growth, and all objects including structures on and above the ground surface or partially buried. The area shall be stripped of topsoil and all other material which is considered unsuitable by the Building Official as foundation material. All combustible and noncombustible materials and debris from the clearing, grubbing and stripping operations shall be removed from the proposed fill area and disposed of at locations above the RFD and/or in the manner approved by the Building Official. Fill material shall be of a selected type, preferable granular and free-draining placed in compacted layers. Fill selection and placement shall recognize the effects of saturation from flood waters on slope stability, uniform and differential settlement, and scour potential. The minimum elevation of the top slope for the fill section shall be no more than one foot below the RFD. Minimum distance from any point of the building perimeter to the top of the fill slope shall be either fifteen (15) feet or twice the depth of fill at that point, whichever is the greater distance. This requirement does not apply to roadways, driveways, playgrounds and other related features which are not integral and functional parts of the building proper. Fill slopes for granular materials shall be not steeper than one vertical on one and one-half horizontal, unless substantiating data justifying steeper slopes are permitted to the Building Official and approved. For slopes exposed to flood velocities of less than five (5) feet per second, grass or vine cover, weeds, bushes and similar vegetation undergrowth will be considered to provide adequate scour protection.

Section 802.1 is amended to read as follows:

Applicability: Spaces to be intentionally flooded with flood water (W4) shall be provided with the necessary equipment, devices, piping, controls, etc. necessary for automatic flooding during the flood event and drainage system(s) shall utilize approved piping materials and have sufficient capacity for raising or lowering the internal water level at a rate comparable to the anticipated rate of rise and fall of a flood that would reach the RFD. These pipe systems shall be directly connected to the external flood waters to maintain a balanced internal and external water pressure condition. Provisions shall be made for filling the lower portions of the structure first and for interconnections through or around all floors and partitions to prevent unbalanced filling of chambers or parts within the structures. All spaces below the RFD, shall be provided with air vents extending to at least three (3) feet above the elevation of the RFD to prevent the trapping of air by the rising water surface. All openings to the filling and drainage systems shall be protected by screens for grills to prevent the entry or nesting of rodents or birds in the system.

Section 1301.2.1 is amended to read as follows:

Heating systems utilizing gas or oil fired furnaces shall have a float operated automatic control valve installed in the fuel supply line which shall be set to operate when flood waters reach an elevation equal to the floor level of the space where furnace equipment is installed. A manually operated gate value that can be operated from a location above the RFD shall be provided in the fuel supply line to serve as a supplementary safety provision for fuel cutoff. The heating equipment and fuel storage tanks shall be mounted on and securely anchored to a foundation pad or pads of sufficient mass to overcome buoyancy and prevent movement that could damage the fuel supply line. As an alternate means of protection, elevation of heating equipment and fuel storage tanks above the RFD on platforms or by suspension from overhead structural systems will be permitted. All unfired pressure vessels will be accorded similar treatment. Fuel lines shall be attached to furnaces by means of flexible or swing type couplings. All heating equipment and fuel storage tanks shall be vented to an elevation of at least three (3) feet above the RFD. Air supply for combustion shall be furnished if required for systems installed in W1 or W2 spaces and piping or duct work for such purposes shall be terminated at least three (3) feet above the RFD.

Section 1302.2.2 is amended to read as follows:

Where the state of dryness of a space is dependent on a

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sump pump system, or where the stability of a structure during a flood event depends on the relief of up-lift pressures on building components, all interior storm water drainage or seepage, appliance drainage, and underslab drain tile systems shall be directly connected to a sump (pump) and discharged at an elevation at least three (3) feet above the RFD.

Section 1302.2.3.1 is amended to read as follows:

All vents shall extend to an elevation of at least three (3) feet above the RFD.

Section 1302.3 is amended to read as follows:

Sewage Disposal/Treatment. Individual sewage disposal and/or treatment facilities will be permitted in a Flood Hazard Area but only at locations where connection with a public sewer system is not permissible or feasible. Such facilities shall conform to applicable standards, criteria, rules and regulations of the Minnesota Department of Health and Pollution Control Agency in terms of size, construction, use and maintenance and with standards and criteria of the Minnesota Department of Natural Resources regarding setbacks from the normal high water mark of a water-course in accordance with the public water classification. Installations in low swampy areas or areas where the highest known ground water table is within four feet of the bottom of the soil absorption system or which may be subject to recurrent flooding will not be permitted.

Section 1302.3.1 regarding cesspools/sewage disposals has been amended by deleting this section in its entirety.

Section 1302.3.2 regarding seepage pits has been amended by deleting this section in its entirety.

Section 1302.4.1 is amended to read as follows:

Water supply wells, tanks, filters, softeners, heaters, and all appliances located below the RFD shall be protected against contamination by covers, walls, copings, or castings. All vents shall be extended to a minimum elevation of three (3) feet above the RFD.

"FLOOD PROOFING REGULATIONS"

Available from
OFFICE OF THE CHIEF OF ENGINEERS
U.S. ARMY
Washington, D.C. 20234

SBC 111 Adoption of the Uniform Building Code by reference. Chapters 1 through 60 and the appendix of the 1976 Edition of the Uniform Building Code, hereinafter "UBC," as promulgated by the International Conference of Building Officials, is incorporated by reference and is hereby made part of the State Building Code (SBC) except as qualified by SBC 109. Said UBC shall be subject to the following alterations and amendments:

UBC 101, 102 and 103 are deleted in their entirety.

UBC 104(j) is amended by adding an additional item number 5 as follows:

5. All approvals must be based on the applicants submission of complete architectural and engineering plans and specifications.

UBC 204 is amended by amending the last sentence as follows: The Board shall adopt reasonable rules and regulations for conducting its investigations and shall render all decisions and findings in writing to the Building Official with a duplicate to the applicant and to the State Building Inspector within fifteen (15) days of such decision.

UBC 303(a) is amended by adding an additional sentence to the first paragraph as follows: The fee schedule of Table 3-A is hereby made optional for use by the local authority and is a recommended schedule. Each municipality must adopt its own schedule of permit fees.

Section 420 of the UBC is amended to read as follows:

UBC 420 Definitions:

Supervised living facilities. Class A supervised living facilities shall include homes providing boarding and lodging for ambulatory and mobile disabled persons who are capable of semi-independent living with minimum supervision and who are mentally and physically capable of self-preservation under emergency conditions. Physically handicapped persons shall be housed at street level. See UBC 1301 as amended.

Class B supervised living facilities shall include homes providing boarding and lodging for:

1. Mobile disabled persons who are capable of semi-independent living with minimum supervision, but who are not physically capable of self-preservation;

2. Persons with diverse dependencies who require various degrees of supervised guidance and assistance, and who are not mentally or physically capable of self-preservation under emergency conditions. See UBC 901 as amended.

UBC Table 5-A is amended to read as follows:

UBC 501 Table 5-A

I.1. Nurseries for full time care of children under kinder-

garten age. Hospitals, sanitariums, nursing homes, and similar buildings (each accommodating five or more persons).

I.2. Boarding care homes, detoxification center, homes for children of kindergarten age or over, supervised living facilities Class B as defined in UBC 420 (each accommodating five or more persons).

R-1 Hotels and apartment houses. Convents, monasteries (each accommodating more than ten persons). Supervised living facilities Class A as defined in UBC 420 (accommodating five or more persons).

Capter 5 of the UBC is amended by adding a new section to read as follows:

UBC 512 Roof access. Unless specifically exempted by the Building Official due to space limitation, roof height above grade or other special considerations, buildings on which any heating, air conditioning, or refrigeration equipment is hereafter installed on the roof and which equipment will require periodic inspection, service and maintenance in accordance with the mechanical code — SBC 7101 through SBC 8810 — shall meet the following requirements:

A stairway complying with Chapter 33 or a stair leading to a scuttle or bulkhead in the roof having such equipment shall be provided to make such equipment safely accessible. Said stair leading to the scuttle or bulkhead shall be placed at an angle of not more than 60 degrees measured from the horizontal with flat treads not less than six inches in width and a minimum length of 24 inches at the tread. No riser shall be more than nine inches and handrails shall be provided on both sides of the access stairs. The minimum opening of the scuttle or bulkhead shall be not less than two feet. In no case shall this required access be located in or pass through the elevator shaft or elevator machine room.

Equipment should be located with at least six feet of clearance from the edge of the roof or similar hazards. If the clearance is less than six feet, a suitable rail or guard not less than forty-two inches in height shall be provided.

Each unit of equipment shall have an accessible switch. A 20 ampere 110-120 volt AC ground type convenience outlet shall be installed on the roof adjacent to the unit or equipment. The circuit for this convenience outlet shall have approved ground-fault protection and shall not be connected to the equipment circuit.

UBC 605 Light, ventilation and sanitation. All enclosed portions of Group A, Division 1 Occupancies customarily used by human beings and all dressing rooms shall be provided with natural light by means of exterior glazed openings with an area not less than one tenth of the total floor area, and natural ventilation by means of openable exterior openings with an area of not less than one-twentieth of the total floor area or shall be provided with artificial light and a mechanically operated ventilating system. The mechanically operated ventilating system shall supply a minimum of five (5) cubic feet per minute of outside air with a total circulated of not less than 15 (fifteen) cubic feet per occupant in all portions of the building and such system shall be kept continuously in operation during such times as the building is occupied. If the velocity of the air at the register exceeds 10 (ten) feet per second, the register shall be placed more than eight (8) feet above the floor directly beneath.

Lights in all parts of the building customarily used by human beings shall be on a separate circuit from that of the stage and shall be controlled from the box office. All lights in corridors, exit courts and exit passageways shall be protected by a wire cage.

All registers or vents supplying air backstage shall be equipped with automatic closing devices with fusible links. Such closing devices shall be located where the vents or ducts pass through the proscenium walls and both inside and/or outside of the vent or duct.

There shall be provided in an approved location at least one lavatory for each two (2) water closets for each sex, and at least one (1) drinking fountain for each floor level.

For other requirements on water closets, see UBC 1711.

For additional sanitation facilities requirements, see UBC 1711(h).

Section 802(c) of the UBC is amended to read as follows:

UBC 802(c) Special provisions. Rooms in Division 1 and 2 Occupancies used for day care purposes, kindergarten pupils and Division 3 Occupancies shall not be located above the first story. Storage and janitor closets shall be of one-hour fire-resistive construction. Stage and enclosed platforms shall be constructed in accordance with Chapter 39. For attic partitions and draft stops see Section 3205.

Section 805 of the UBC is amended to read as follows:

UBC 805 Light, ventilation and sanitation. All portions of Group E Occupancies shall be provided with light and ventilation, either natural or artificial, as specified in UBC 605.

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For other requirements on water closets, see UBC 1711.

For additional sanitation facilities requirements, see UBC 1711(h).

Section 809 of the UBC is amended to read as follows:

UBC 809 Approved fire alarms shall be provided for all Group E Division 1 and 2 Occupancies with an occupant load of more than 50 persons in Group E Division 3 Occupancies with an occupant load of more than 29 persons. In every Group E Occupancy provided with an automatic fire extinguishing or detection system, the operation of such system shall automatically activate the school alarm system.

The fire alarm system shall be installed in compliance with NFPA Standard 72-A-75, "Local Protective Signaling Systems."

An approved fire alarm is a fire alarm and detection system consisting of the following:

1. A complete noncoded continuously sounding until manually reset, electronically supervised type.

2. Shall have sounding stations on 100 foot to 150 foot spacing; (a) in corridors, (b) in areas of high noise levels, such as band rooms, shops, boiler rooms, (c) a weatherproof station on exterior of building facing residential areas.

3. Shall have automatic sending stations (detectors) in boiler rooms, kitchens, shops, painting areas, lounges, laundries, janitor's closets, storerooms, etc., or unsupervised and unoccupied spaces; namely, critical or hazardous areas.

4. Manual sending stations shall be provided in the natural path of escape from fire, near each exit from an area, on each floor, and shall be readily accessible, unobstructed and at visible locations.

Section 901 of the UBC is amended to read as follows:

UBC 901 Division 1. Nurseries for full time care of children under kindergarten age. Hospitals, sanitariums, nursing homes, and similar buildings (each accommodating five or more persons).

Division 2. Boarding care homes, detoxification centers, homes for children of kindergarten age or over, supervised living facilities. Class B as defined, for the mentally retarded, mentally ill, chemically dependent and the physically handicapped (each accommodating five or more persons).

Section 902(b) Special provisions. Division 3 Occupancies shall be housed in buildings of Type I or II-F.R. construction.

Every story of a Group I, Division 1 Occupancy accommodating five (5) or more nonambulatory persons, unless provided with a horizontal exit, shall be divided into not less than two compartments accommodating approximately the same number of nonambulatory persons in each compartment by smokestop partition meeting the requirements of a one-hour occupancy separation so as to provide an area of refuge within the building.

Corridor openings in the smokestop partition shall be protected with doors as required in Section 3304(h). Other openings shall be limited to ducts which have fire dampers in the plane of the wall activated by detectors of products of combustion other than heat conforming to Section 4306(b)2.

Rooms occupied by inmates or patients whose personal liberties are restrained, shall have noncombustible floor surfaces.

Section 905 of the UBC is amended to read as follows:

UBC 905 All portions of Group I Occupancies shall be provided with natural light by means of exterior glazed openings with an area equal to one-tenth of the total floor area, and natural ventilation by means of exterior openings with an area not less than one-twentieth of the total floor area or shall be provided with artificial light and a mechanically operated ventilating system as specified in Section 605 and the mechanical code.

For other requirements on water closets, see UBC 1711.

For additional sanitation facilities requirements, see UBC 1711(h).

Section 909 of the UBC is amended to read as follows:

UBC 909 An approved fire alarm system shall be provided for all Group I Occupancies.

Audible alarm devices shall be used in all nonpatient areas. Visible alarm devices may be used in lieu of audible devices in patient occupied areas. An approved alarm system shall comply with UBC 809. Operation of any fire alarm activating device shall automatically, without delay, accomplish general alarm indication and control functions. Zoned, coded systems shall be permitted to be used. Exception: Alarm systems may be installed in accordance with NFPA 101, 1977 Edition, § 10-3.3.3.

Section 1005 of the UBC is amended to read as follows:

UBC 1005 All portions of Group H Occupancies shall be provided with natural light by means of exterior galzed openings with an area equal to one-tenth of the total floor area, and natural ventilation by means of exterior openings

with an area not less than one-twentieth of the total floor area or shall be provided with artificial light and a mechanically operated ventilating system as specified in Section 605 and the applicable sections of the mechanical code.

In all buildings or portions thereof where flammable liquids are used, exhaust ventilation shall be provided sufficient to produce four complete air changes per hour. Such exhaust ventilation shall be taken from a point at or near the floor level.

In all buildings used for the repair or handling of automobiles operating under their own power, ventilation shall be provided capable of exhausting a minimum of 3/4 cfm per square foot. Additionally, each engine repair stall shall be equipped with an exhaust pipe extension duct, extending to the outside of the building, which, if over 10 feet in length, shall mechanically exhaust 300 cubic feet per minute. Connecting offices and waiting rooms shall be supplied with conditioned air under positive pressure.

EXCEPTION: In public repair garages and aircraft hangars not exceeding an area of 5,000 square feet, the Building Official may authorize the omission of such ventilating equipment where, in his opinion, the building is supplied with unobstructed openings to the outer air which are sufficient to provide the necessary ventilation.

Every building or portion thereof where persons are employed shall be provided with at least one water closet. Separate facilities shall be provided for each sex when the number of employees exceeds four (4) and both sexes are employed. Such toilet facilities shall be located either in such building or conveniently in a building adjacent thereto on the same property.

All water closet rooms shall be provided with an exterior window at least 3 square feet in area, fully openable; or a vertical duct not less than 100 square inches in area for the first toilet facility with an additional 50 square inches in area for the first toilet facility; or a mechanically operated exhaust system which is connected to the light switch, capable of providing a complete change of air every 15 minutes. Such systems shall be vented to the outside air and at the point of discharge shall be at least 5 feet from any openable window.

For other requirements on water closets, see UBC 1711

For additional sanitation facilities requirements, see UBC 1711(h).

Section 1105 of the UBC is amended to read as follows:

UBC 1105 All portions of Group B, Divisions 1, 2 and 3 Occupancies shall be provided with natural light by means of exterior glazed openings with an area equal to one-tenth of the total floor area, and natural ventilation by means of exterior openings with an area not less than one-twentieth of the total floor area or shall be provided with artificial light and a mechanically operated ventilating system as specified in Section 605 and applicable sections of the mechanical code.

In all buildings or portions thereof where flammable liquids are used, exhaust ventilation shall be provided, sufficient to produce four air changes per hour. Such exhaust ventilation shall be taken from a point at or near the floor level.

In all enclosed parking garages used for storing or handling of automobiles operating under their own power and on all loading platforms in bus terminals, ventilation shall be provided capable of exhausting a minimum of 3/4 cfm per square foot of gross floor area. The Building Official may approve an alternate ventilation system designed to exhaust a minimum of 14,000 cfm for each operating vehicle. Such system shall be based upon the anticipated instantaneous movement rate of vehicles but not less than 2.5 percent (or one vehicle) of the garage capacity. Automatic CO sensing devices may be employed to modulate the ventilation system to maintain a maximum average concentration of CO of 50 ppm during any 8 hour period, with a maximum concentration not greater than 200 ppm for a period not exceeding one hour. Connecting offices, waiting rooms, ticket booths, etc., shall be supplied with conditioned air under positive pressure.

EXCEPTION: In gasoline service stations without lubrication pits, storage garages and aircraft hangars not exceeding an area of 5,000 square feet, the Building Official may authorize the omission of such ventilating equipment where, in his opinion, the building is supplied with unobstructed openings to the outer air which are sufficient to provide the necessary ventilation.

Every building or portion thereof where persons are employed shall be provided with at least one water closet. Separate facilities shall be provided for each sex when the number of employees exceeds four and both sexes are employed. Such toilet facilities shall be located either in such building or conveniently in a building adjacent thereto on the same property.

Such water closet rooms in connection with food establishments where food is prepared, stored, or served shall

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have a nonabsorbent interior finish on floors, walls and ceilings and shall have hand washing facilities therein or adjacent thereto.

All water closet rooms shall be provided with an exterior window at least three square feet in area, fully openable; or a vertical duct not less than 100 square inches in area for the first toilet facility with an additional 50 square inches for each additional toilet facility; or a mechanically operated exhaust system, which is connected to the light switch, capable of providing a complete change of air every 15 minutes. Such systems shall be vented to the outside air and at the point of discharge shall be at least five feet from any openable window.

For other requirements on water closets, see UBC 510 and UBC 1711.

For additional sanitation facilities requirements, see UBC 1711(h).

Section 1109 of the UBC is amended by adding a new paragraph (m):

(m) Every parking ramp or other parking facility shall include spaces for the parking of motor vehicles having a capacity of seven (7) to sixteen (16) persons. Such vehicles shall be classified as commuter vehicles for the transportation of employees to and from their place of employment or to or from transit stop authorized by a local transit authority. The number of required spaces shall be determined by 2% of the gross designed parking area with a minimum of two spaces. Such spaces to accommodate commuter vehicles shall be at least 10 feet in width, 20 feet in length and a height clearance of 10′-6″ on the entry level and shall not apply to other levels of a ramp.

Section 1205 of the UBC is amended to read as follows:

UBC 1205 Light, ventilation, and sanitation. All portions of Group B Division 4 Occupancies customarily used by human beings shall be provided with light and ventilation as specified in UBC 1105.

Every building or portion thereof where persons are employed shall be provided with at least one water closet. Separate facilities shall be provided for each sex when the number of employees exceeds four and both sexes are employed. Such toilet facilities shall be located either in such building or conveniently in a building adjacent thereto on the same property.

For other requirements on water closets, see UBC 1711.

For additional sanitation facilities requirements, see UBC 1711(h).

Section 1301 of the UBC is amended to read as follows:

UBC 1301 Group R Division 1 Occupancies shall be: hotels and apartment houses, convents and monasteries (each accommodating more than ten persons). Supervised living facilities, Class A as defined, for the mentally retarded, mentally ill, chemically dependent, and the physically handicapped (each accommodating five or more persons).

Section 1304 of the UBC is amended to read as follows:

Exit Facilities

Sec. 1304. Stairs, exits, and smokeproof enclosures shall be as specified in Chapter 33.

All stairs and exits in Group R, Division 1 Occupancies shall open directly upon a street or alley or upon a yard or court not less than 4 feet in width directly connected to a street or alley by means of a passageway not less in width than the stairway opening into such passageway and not less than 7 feet in height.

Buildings more than one story in height shall have no transoms or ventilating openings from guest rooms to public corridors.

Door openings from guest rooms to public corridors shall be protected as specified in Section 3304.

Every sleeping room below the fourth story shall have at least one operable window or exterior door approved for emergency egress or rescue. The units shall be operable from the inside to provide a full clear opening without the use of separate tools.

All egress or rescue windows from sleeping rooms shall have a minimum net clear opening of 5.7 square feet. The minimum net clear opening height dimension shall be 24 inches. The minimum net clear opening width dimension shall be 20 inches. Where windows are provided as a means of egress or rescue they shall have a finished sill height not more than 48 inches above the floor.

Section 1305(b) of the UBC is amended to read as follows:

UBC 1305(b) Sanitation. Every building shall be provided with at least one water closet. Every hotel and each subdivision thereof where both sexes are accommodated shall be provided with at least two water closets located in such building, which shall be conspicuously marked one for each sex.

Additional water closet shall be provided on each floor for each sex at a rate of one for every additional ten guests, or fractional part thereof, in excess of ten.

Every dwelling unit shall be provided with a kitchen

equipped with a kitchen sink and with bathroom facilities consisting of a water closet, lavatory and either a bathtub or shower. Each plumbing fixture shall be equipped with running water necessary for its normal operation.

For other requirements on water closets, see UBC 510 and UBC 1711.

For additional sanitation facilities requirements, see UBC 1711(h).

UBC 1314 Sound transmission control. Sound transmission control shall be provided to meet the standards defined in UBC Appendix Chapter 35.

Exception: Sound transmission requirements will not be required in Class A Supervised Living Facilities.

Chapter 13 of the UBC is amended by adding a new section to read as follows:

UBC 1315 Deadbolt locks required. All exit doors leading to public or shared areas from all dwelling units and hotel units shall be provided with deadbolt locks, at least one of which must be capable of being locked from the exterior of said unit. For the purpose of this section, a "deadbolt lock" is a locking bolt, which, when in the locked position, can only be moved positively by turning a knob, key, or sliding bolt.

Deadbolt locks having a bolt moved by turning a key shall be of the five-pin tumbler type or an approved equivalent. Lock throw shall be not less than three-quarters inch (3/4″). Locks shall meet requirements of UBC 3303(c).

Section 1401 of the Uniform Building Code is amended by adding a new section to read as follows:

Section 1401(b) Group R, Division 4 Occupancies: This use group shall include all one and two family dwellings built exclusively by the standards as established in the 1975 One and Two Family Dwelling Code as promulgated by the national model code organizations and 2 MCAR § 1.16001 through 2 MCAR § 1.16006.

Exception: The plumbing requirements found in Part V (Chapters 20 through 25) and the referenced portions of Part VII (2-26.2001 - S-26.2103) are deleted in their entirety. The plumbing requirements of the Minnesota Health Department for plumbing shall apply to this occupancy group.

Section R-211 of the One and Two Family Dwelling Code is amended to read as follows:

Section R-211 Exists. Not less than one exit conforming to this Chapter shall be provided from each dwelling unit.

Every sleeping room shall have at least one operable window or exterior door approved for emergency egress or rescue. The units must be operable from the inside to a full clear opening without the use of separate tools. Where windows are provided as a means of egress or rescue they shall have a sill height of not more than 48 inches above the floor.

All egress or rescue windows from sleeping rooms must have a minimum net clear opening of 5.7 square feet. The minimum net clear opening height dimension shall be 24 inches. The minimum net clear opening width dimension shall be 20 inches.

Section 1404 of the UBC is amended to read as follows:

Exit Facilities

Section 1404. Stairs and exits shall be provided as specified in Chapter 33.

Every sleeping room below the fourth story shall have at least one operable window or exterior door approved for emergency egress or rescue. The units shall be operable from the inside to provide a full clear opening without the use of separate tools.

All egress or rescue windows from sleeping rooms shall have a minimum net clear opening of 5.7 square feet. The minimum net clear opening height dimension shall be 24 inches. The minimum net clear opening width dimension shall be 20 inches. Where windows are provided as a means of egress or rescue they shall have a finished sill height not more than 48 inches above the floor.

UBC 1405(b) Sanitation. Every dwelling unit shall be provided with a kitchen equipped with a kitchen sink and with bathroom facilities consisting of a water closet, lavatory and either a bathtub or shower. Plumbing fixtures shall be provided with running water necessary for their operation.

For other requirements on water closets, see UBC 510 and 1711.

For additional sanitation facilities requirements, see UBC 1711(h).

UBC 1711(b) of the UBC is amended to read as follows:

UBC 1711(b) Toilet facilities. Each water closet stool shall

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be located in a clear space not less than 30 inches in width and have a clear space in front of the water closet stool of not less than 24 inches.

For provisions of the physically handicapped see SBC 5501 through 5508.

Chapter 17 of the UBC is amended by adding a new section to read as follows:

UBC 1711(h) Sanitation facilities. Sanitation facilities shall be provided for each Occupancy in accordance with Table 17-B and UBC Sections 605, 705, 805, 905, 1005, 1205, 1305 and 1405. Fixtures shall be provided for each sex in accordance with the percentage of occupants of each sex. When the percentage of each sex is not known, one-half for each sex shall be assumed.

OCCUPANCY	USE	S.F. per Occ.	WATER CLOSETS	URINALS
Group A Occupancies	Auditoriums	30	Churches	Churches
	Bowling Alleys	30	1 for each 300 Men	(3)
	Churches	60	1 for each 300 Women	
	Conference Rooms	80	Other	
	Dance Floors	30	Occupants / Fixtures	
	Dining, Drinking	30	1-100 / 1	
	Exhibit Rooms	80	101-200 / 2	
	Gymnasiums	30	201-400 / 3	
	Libraries	100	Over 400 / 1 addt'nl/ each 500	(3)
	Lodge Rooms	80		
	Lounges	80		
	Rinks	30		
	Stadiums, Grandstands	80		
	Theaters	30		
	Waiting Rooms	80		
Group E Occupancies (6)	Elementary	85	Boys 1/ea. 100; Girls 1/ea. 30	1 for each 30
	Secondary	130	Boys 1/ea. 100; Girls 1/ea. 25	
Group I Occupancies	Prisons, Jails	100	1 for each cell; 1 for ea. exercise room	
	Hospitals, Nursing Homes	100	1 for each 8 patients; 1 for each waiting rm.	
			Other: 1 for each 25 men; 1 for each 20 women	Other: 1 for each 50
Group H Occupancies			Factories, Warehouses Occupants' Fixtures	Factories, Warehouses Occupants' Fixtures
Group B Occupancies	Aircraft Hangars	500	1-10 / 1	(3)
	Factories	200	11-25 / 2	
	Municipal Buildings	80	36-50 / 3	
	Office Buildings	200	51-75 / 4	
	Sales	200	76-100 / 5	
	Service Stations	500	Over 100 / 1 addt'nl for 30	
	Storage Garages	500		
	Warehouses	500	Sales, Office, etc. Occupants / Fixtures	Sales, Offices
Group B-4 Occupancies	Factories	200	1-15 / 1	(3)
	Sales	200	16-35 / 2	
	Warehouses	500	36-55 / 3	
			56-80 / 4	
			81-110 / 5	
			111-150 / 6	

Group R-1 Occupancies	Dwelling Units, Apt.	—	1	
	Motel, Hotel Units	—	1 for each 10	
	Rooming Houses	200	1 for each 10	
	Dormitories	200	1 for each 10	
Group R-3 and R-4 Occupancies	1 and 2 Family	—	1	—
Group M Occupancies	—	—	—	—
TEMPORARY FACILITIES	—	—	1 for each 30	1 for each 30

LAVATORIES	DRINKING FOUNTAINS	BATHTUBS OR SHOWERS	KITCHEN SINKS	SERVICE SINKS
Churches 1 for each 300	Other 1 for each 300			
Occupants / Fixtures 1-200 / 1 201-400 / 2 401-750 / 3 Over 750 / 1 addt'nl for each 500				
1 for each 100 1 for each 100	1 for each 75	—	—	1 per floor
1 in each cell 1 ea. exercise rm. 1 for ea. 10 patients	1 for each 100	1 at each cell floor 1 for each 20	—	1 per floor
Other 1 for each 10		Other 1 for each 10		
Factories, Warehouses Occupants / Fixtures for each 1-100 / 1-10 Over 100 / 1-15	Factories-Warehouses 1 for each 75			
Sales, Offices Occupants / Fixtures 1-15 / 1 16-35 / 2 36-60 / 3 61-90 / 4 91-125 / 5 Over 125 / 1 to 45	Sales, Offices 1 for each 150			1 per floor
1 1 for each 10 1 for each 10 1 for each 10	—	1 1 for each 10 1 for each 10 1 for each 10	1 —	1 laundry tray for each 10 dwelling units or guest rooms
1	—	1	1	—

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—	—	—	—	—
—	1 for each 100	—	—	—

Footnotes:
(1) Occupant load is computed using the equation: S.F. per Occ. = Occupant Load
(2) Square feet per occupant is only for computing the occupant load to determine the plumbing fixtures required.
(3) Urinals may be furnished in place of water closets at the rate of one urinal for one water closet, but not to exceed one-third of the required water closets.
(4) 1 fisture for each 10 occupants.
(5) 1 fisture for each 15 occupants.

For waterclosets, and lavatories, these numbers
are minimum & equal number fo ea. sex is required.

S.F. — per Occ. — from Column 3 of this table
A-Area of building occupancy classification served

Sec. 1807. (a) is amended to read as follows:

Special Provisions for Group B, Division 2 Office Buildings and Group R, Division 1 Occupancies.

Sec. 1807.(a) Scope. This Section shall apply to all Group B, Division 2 office buildings and Group R, Division 1 Occupancies each having floors used for human occupancy located more than 75 feet above the lowest level of Fire Department vehicle access. Such buildings shall be provided with either an approved automatic fire-extinguishing system in accordance with Section 1807(c), or safe areas of refuge (compartmentation) in accordance with Section 1807(1).

(b) Certificate of occupancy. All mechanical and electrical equipment and other required life safety systems shall be approved and installed in accordance with approved plans and specifications pursuant to this Section and shall be tested and proved to be in proper working condition to the satisfaction of the building official before issuance of the Certificate of Occupancy.

(c) Automatic fire-extinguishing system. When provided as required in Section 1807(a), the automatic fire-extinguishing system shall be provided throughout the building. The sprinkler system shall be designed using the parameters set forth in UBC Standard No. 38-1 and the following:

1. Shutoff valves and a water flow device shall be provided for each floor. The sprinkler riser may be combined with the standpipe riser.

2. In Seismic Zones No. 2, No. 3, and No. 4, in addition to the main water supply a secondary on-site supply of water equal to the hydraulically calculated sprinkler design demand plus 100 gallons per minute additional for the total standpipe system shall be provided. This supply shall be automatically available if the principal supply fails and shall have a duration of 30 minutes.

(d) Smoke detection systems. At least one approved smoke detector suitable for the intended use shall be installed in:

1. Every mechanical equipment, electrical, transformer, telephone equipment, elevator machine or similar room.

2. In the main return and exhaust air plenum of each air-conditioning system and located in a serviceable area downstream of the last duct inlet.

3. At each connection to a vertical duct or riser serving two or more stories from a return air duct or plenum of an air conditioning system. In Group R, Division 1 Occupancies, an approved smoke detector may be used in each return air riser carrying not more than 5000 cfm and serving not more than 10 air inlet openings.

The actuation of any detector required by this Section shall operate the voice alarm system and shall place into operation all equipment necessary to prevent the recirculation of smoke.

(e) Alarm and Communication Systems. The alarm and communication systems shall be so designed and installed that damage to any terminal unit or speaker will not affect the operation of the remainder.

The voice alarm and public address system may be a combined system. When approved, the Fire Department communications system may be combined with the voice alarm system and the public address system.

Three communication systems which may be combined as set forth above shall be provided as follows:

1. Voice alarm system. The operation of any smoke detector, sprinkler, water flow device or manual fire alarm station shall automatically sound an alert signal to the desired areas followed by voice instructions giving appropriate information and direction to the occupants.

The central control station shall contain controls for the voice alarm system so that a selective or general voice alarm may be manually initiated.

The system shall be supervised to cause the activation of an audible trouble signal in the central control station

upon interruption or failure of the audiopath including amplifiers, speaker wiring, switches and electrical contracts and shall detect opens, shorts and grounds which might impair the function of the system.

The alarm shall be designed to be heard clearly by all occupants within the building or designated portions thereof as is required for the public address system.

2. Public address system. A public address communication system designed to be clearly heard by all occupants of the building shall operate from the central control station. It shall be established on a selective or general basis to the following terminal areas:

A. Elevators

B. Elevator lobbies

C. Corridors

D. Exit stairways

E. Rooms and tenant spaces exceeding 1000 square feet in area.

F. Dwelling units in apartment houses

G. Hotel guest rooms or suites

3. Fire Department communication system. A two-way Fire Department communication system shall be provided for Fire Department use. It shall operate between the central control Station and every elevator, elevator lobby and entry to every enclosed exit stairway.

(f) Central control station. A central control station for Fire Department operations shall be provided in a location approved by the Fire Department. It shall contain:

1. The voice alarm and public address system panels.

2. The Fire Department communications panel.

3. Fire detection and alarm system annunciator panels.

4. Status indicator and controls for elevators.

5. Status indicators and controls for air-handling systems.

6. Controls for unlocking all stairway doors simultaneously.

7. Sprinkler valve and water flow detector display panels.

8. Standby power controls and status indicators.

9. A telephone for Fire Department use with controlled access to the public telephone system.

(g) Smoke control. Natural or mechanical ventilation for the removal of products of combustion shall be provided in every story and shall consist of one of the following:

1. Panels or windows in the exterior walls which can be opened remotely from an approved location other than the fire floor. Such venting facilities shall be provided at the rate of 20 square feet per 50 lineal feet of exterior wall in each story and shall be distributed around the perimeter at not more than 50-foot intervals. Such windows or panels and their controls shall be clearly identified.

EXCEPTION: When a complete automatic fire-extinguishing system is installed, windows or panels manually openable from within the fire floor or approved fixed tempered glass may be used in lieu of the remotely operated openable panels and windows. Such windows shall be clearly identified and shall be of the size and spacing called for in Section 1807(g)1.

2. When a complete and approved automatic fire-extinguishing system is installed, the mechanical air-handling equipment may be designed to accomplish smoke removal. Under fire conditions, the return and exhaust air shall be moved directly to the outside without recirculation to other sections of the building. The air-handling system shall provide a minimum of one exhaust air change each 10 minutes for the area involved.

3. Any other approved design which will produce equivalent results.

(h) Elevators. Elevators and elevator lobbies shall comply with the provisions of Chapter 51 and the following:

NOTE: A bank of elevators is a group of elevators or a single elevator controlled by a common operating system; that is, all those elevators which respond to a single call button constitute a bank of elevators. There is no

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limit on the number of cars which may be in a bank or group but there may be not more than four cars within a common hoistway.

1. Except for the main entrance level, all elevators on all floors shall open into elevator lobbies which are separated from the remainder of the building as is required for corridor construction in Section 3304(g) and (h).

2. Each elevator lobby shall be provided with an approved smoke detector located on the lobby ceiling. When the detector is activated, elevator doors shall not open and all cars serving that lobby are to return to the main floor and be under manual control only. If the main floor detector or a transfer floor detector is activated, all cars serving the main floor or transfer floor shall return to a location approved by the Fire Department and building official and be under manual control only. The smoke detector is to operate before the optical density reaches 0.03 per foot. The detector may serve to close the lobby doors.

3. A permanent sign shall be installed in each elevator cab adjacent to the floor status indicator and at each elevator call station on each floor reading "IN FIRE EMERGENCY, DO NOT USE ELEVATOR — USE EXIT STAIRS," or similar verbiage approved by the building official.

4. Elevator hoistways shall not be vented into an elevator machine room. Cable slots entering the machine room shall be sleeved beneath the machine room floor and extend to not less than 12 inches below the shaft vent to inhibit the passage of smoke into the machine room.

5. At least one elevator car serving all floors shall have a minimum inside care platform of 4 feet 3 inches deep by 6 feet 8 inches wide with a minimum clear opening width of 42 inches, unless otherwise designed and approved to provide equivalent utility to accommodate an ambulance stretcher having a minimum size of 22 inches by 78 inches in its horizontal position. This elevator shall be identified.

(i) Standby power, light and emergency systems. Standby power, light and emergency systems shall comply with the following:

1. Standby power. A permanently installed on-site power generation system conforming to U.B.C. Standard No. 18-1 shall be provided. All power, lighting, signal and communication facilities provided under the requirements of this Section, including an independent ventilating system for the standby power generator room, shall be transferable to the standby power source.

The electrical power requirements for sizing the standby power generation system shall include but not be limited to the following:

A. Fire protection equipment, including fire pumps.

B. Mechanical ventilation equipment required by this Section including power-operated windows.

C. Elevators designated for Fire Department use and as required by Chapter 51.

D. Standby lighting

E. The normal loads of all facilities classed as emergency. The regular light and power circuits supplying such facilities are classified as standby systems and shall be automatically transferable to the standby power generation system.

2. Standby lighting. Standby lighting shall include but not be limited to the following:

A. Separate lighting circuits and facilities sufficient to provide light with an intensity not less than one footcandle measured at floor level in all exit corridors, stairways, smokeproof enclosures, elevators, elevator lobbies, and other areas which are clearly part of the escape route.

B. All circuits supplying lighting for the central control station, the standby power generator rooms, and other rooms housing control equipment for mechanical systems required by this Section shall be transferable to the standby power system.

3. Emergency systems. All electrical systems and facilities required by this Section and classified as emergency shall be installed in conformance with U.B.C. Standard 18-1. The following systems and lighting loads are classified as emergency facilities and shall operate within 10 seconds of primary power failure:

A. Exit sign and exit illumination as required by Section 3312.

B. Fire alarm and sprinkler alarm systems.

C. Fire detection systems

D. Elevator car lighting

E. Stairway door control systems

F. Voice communication systems

G. Electrical facilities classified as emergency by any other applicable code or ordinance.

(j) Exits. Exits shall comply with other requirements of this Code and the following:

1. All stairway doors which are to be locked from the stairway side shall have the capability of being unlocked simultaneously without unlatching upon a signal from the central control station.

2. A telephone or other two-way communications systems connected to an approved emergency service which operates continuously shall be provided at not less than every fifth floor in each required stairway where other provisions of this Code permit the doors to be locked.

3. Smokeproof enclosures may be eliminated if all enclosed stairways are pressurized, as provided for mechanically operated smokeproof enclosures, to a minimum of 0.15 and a maximum of 0.50 inch of water column in fully sprinklered buildings.

(k) Seismic Considerations. In Seismic Zones No. 2, No. 3 and No. 4, the anchorage of the following mechanical and electrical equipment shall be designed in accordance with Section 2312.

(l) Areas of refuge (compartmentation) alternate. Areas of refuge conforming to the following may be provided as an alternate to the automatic fire-extinguishing system:

1. Every story shall be divided into two or more areas of approximately the same size with no single area exceeding 15,000 square feet. The wall and door shall be constructed as required for a horizontal exit in Section 3307.

2. Each area of refuge (compartmentation) shall contain one elevator to the main floor and a minimum of one enclosed exit stairway.

3. Openings in exterior walls, where such openings are within 5 feet of each other horizontally on vertically adjacent floors shall be protected by approved flame barriers either extending 30 inches beyond the exterior wall in the plane of the floor or by approved vertical panels not less than 3 feet in height above the floor.

4. Horizontal exit walls used for compartmenting a building shall have a fire-resistance rating of not less than two hours. Duct penetrations of this wall shall not be permitted. Ferrous or copper piping and conduit may penetrate or pass through the wall only if the openings are caulked with impervious noncombustible materials sufficiently tight to prevent the transfer of smoke or combustion gases from one side of the wall to the other and are so maintained. The fire door serving as the horizontal exit between compartments shall be so installed, fitted and gasketed that it will provide a substantial barrier to the passage of smoke.

5. The fire-resistive floor or the floor-ceiling construction shall extend to and be tight against the exterior wall so that the fire-resistive integrity between stories is maintained. No penetrations or other installations which will impair the fire-resistive integrity of the floor or floor-ceiling assembly shall be permitted.

6. A manual fire alarm system (pull boxes) shall be provided.

(m) Automatic Fire-Extinguishing System Alternatives. When a complete approved automatic fire-extinguishing system complying with this Section is installed in a building, the following modifications of Code requirements are permitted:

1. The fire-resistive time periods set forth in Table No. 17-A may be reduced by one hour for interior bearing walls, exterior bearing and nonbearing walls, roofs and the beams supporting roofs, provided they do not frame into columns. Vertical shafts other than stairway enclosures and elevator shafts may be reduced to one hour when sprinklers are installed within the shafts at alternate floors.

2. Except for corridors in Group B, Division 2 and Group R, Division 1 Occupancies and partitions separating dwelling units or guest rooms, all interior nonbearing partitions required to be one-hour fire-resistive construction by Table No. 17-A may be of noncombustible construction without a fire-resistive time period.

3. Fixed tempered glass may be used in lieu of openable panels for smoke control purposes.

4. Travel distance from the most remote point in the floor area to a horizontal exit or to an enclosed stairway may be 300 feet.

5. The manually operated fire alarm system required in the compartmented building is not required.

6. Smokeproof enclosures are not required but all required stairways shall be pressurized to a minimum of 0.15 inch of water column.

7. Spandrel walls, eyebrows and compartmentation are not required; however, the fire resistance of the floors and juncture of exterior walls with each floor must be maintained.

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8. Fire dampers, other than those needed to protect floor-ceiling assemblies to maintain the fire resistance of the assembly, are not required except for those which may be necessary to by-pass smoke to the outside, those provided to convert from recirculated air to 100 percent outside air, and those which may be required to protect the fresh air supply intake against smoke which may be outside the building.

9. Emergency windows required by Section 1304 are not required.

Section 1907 of the UBC is amended to read as follows:

Section 1907. Type II-F.R. buildings shall comply with the special provisions on high rise buildings in Section 1807.

EXCEPTION: The reduction provisions for roofs see Sec. 1807(m) Item 1.

Section 2305(d) of the UBC is amended to read as follows:

UBC 2305(d) Snow loads. Snow loads full or unbalanced shall be considered where such loading will result in larger members of connections. A basic snow load of 40 pounds per square foot of horizontal projection is required in the following counties: Anoka, Carlton, Carver, Chisago, Cook, Dakota, Hennepin, Isanti, Lake, Pine, Ramsey, St. Louis, Scott and Washington. A basic snow load of 30 pounds per square foot of horizontal projection is required for all other counties not mentioned above. Potential accumulation of snow at valleys, parapets, roof structures, and offsets in roofs of uneven configuration shall be considered. Where snow loads occur, the snow loads shall be determined by the Building Official in accordance with Appendix "B".

EXCEPTIONS:

1. The requirements of Appendix "B" shall not apply to Group R Division 3, Group R Division 4 and M Occupancies.

2. A basic snow load of 30 pounds per square foot of horizontal projection shall be acceptable for detached Group M, Division 1 Occupancies in all counties.

Snow loads in excess of 20 pounds per square foot may be reduced for each degree of pitch over 20 degrees by R as determined by the following formula:

$$R_s = \frac{S}{40} - \frac{1}{2}$$

Where:

R_s = Snow load reduction in pounds per square foot per degree of pitch over 20 degrees.

S = Total snow load in pounds per square foot.

Section 2312(a) of the UBC is amended to read as follows:

UBC 2312(a) General. For the purpose of the Code this state shall be considered to be in Zone "O", No Damage Area. Every building or structure and every portion thereof shall be designed and constructed to resist stresses produced by lateral forces as provided in this Section. Stresses shall be calculated as the effect of a force applied horizontally at each floor or roof level above the foundation. The force shall be assumed to come from any horizontal direction.

Structural concepts other than set forth in this section may be approved by the Building Official when evidence is submitted showing that equivalent ductility and energy absorption are provided.

Where prescribed wind loads produce higher stresses, such loads shall be used in lieu of the loads resulting from earthquake forces.

Section 2907(a) of the UBC is amended to read as follows:

UBC 2907(a) General. Footings and foundations, unless otherwise specifically provided, shall be constructed of masonry or concrete and in all cases extend below the frost line. Footings shall be constructed of solid masonry or concrete. Foundations supporting wood shall extend at least six inches above the adjacent finish grade. Footings shall have a minimum depth below finished grade as indicated in Table 29-A unless another depth is recommended by a foundation investigation.

1. In the absence of a determination by an engineer competent in soil mechanics, the minimum allowable footing depth in feet due to freezing shall be five feet in Zone I and three and one-half feet in Zone II.

Zone I — Shall include the counties of: Aitkin, Becker, Beltrami, Carlton, Cass, Clay, Clearwater, Cook, Crow Wing, Douglas, Grant, Hubbard, Itasca, Kanabec, Kittson, Koochiching, Lake, Lake of the Woods, Mahnomen, Marshall, Mille Lacs, Morrison, Norman, Otter Tail, Pennington, Pine, Polk, Red Lake, Roseau, St. Louis, Todd, Traverse, Wadena, Wilkin.

Zone II — Shall include the counties of: Anoka, Benton, Big Stone, Blue Earth, Brown, Carver, Chippewa, Chisago, Cottonwood, Dakota, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Hennepin, Houston, Isanti, Jackson, Kandiyohi, Lac Qui Parle, Le Sueur, Lincoln, Lyon, McLeod, Martin, Meeker, Mower, Murray, Nicollet, Nobles, Olmsted, Pipestone, Pope, Ramsey, Redwood, Renville, Rice, Rock, Scott, Sibley, Sherburne, Stearns, Steele, Stevens, Swift, Wabasha, Waseca, Washington, Watonwan, Winona, Wright, Yellow Medicine. Lesser

depths may be permitted when supporting evidence is presented by an engineer competent in soil mechanics.

2. Soil Under Slab on Grade Construction for Buildings. When soil, natural or fill, is sand or pit run sand and gravel, and of depth in accordance with minimum footings depth requirements for each zone, slab on grade construction which supports roof and wall loads shall be permitted. Slab on grade construction for detached buildings Group M, Division 1 Occupancies may be placed on any soil except peat or muck.

UBC 3203(d)3 is amended to read as follows:

UBC 3203(d) 3. Shingle; shake and tile roofs.

A. General. Installation shall be in accordance with Table No. 32-B. Underlayment, when required, shall be lapped horizontally and vertically so as to shed water.

In areas subject to roof ice build-up, underlayment consisting of two layers of Type 15 felt applied shingle fashion shall be installed and solid mopped together with approved cementing material between the plies extending from the eave up the roof to a point 24 inches inside the exterior wall line of the building.

The entire State of Minnesota shall be deemed an area subject to roof ice build-up.

Exception: For wood shingle or wood shake roofs the underlayment shall extend 36 inches inside the exterior wall line of the building.

UBC 3205(c) is amended to read as follows:

UBC 3205(c) Ventilation. Where determined necessary by the Building Official due to atmospheric or climatic conditions, enclosed attics and enclosed rafter spaces formed where ceilings are applied direct to the underside of roof rafters, shall have cross ventilation for each separate space by ventilating openings protected against the entrance of rain and snow. The net free ventilating area shall be not less than 1/150 of the area of the space ventilated, except that the area may be 1/300 provided at least 50 percent of the required ventilating area is provided by ventilators located in the upper portion of the space to be ventilated at least 3 feet above eave or cornice vents with the balance of the required ventilation provided by eave or cornice vents.

Amend UBC Section 3207(c) as follows:

Where roof drains are required, overflow drains having the same size as the roof drains shall be installed with the inlet flow line located 2 inches above the low point of the roof, or overflow scuppers having three times the size of the roof drains may be installed in adjacent parapet walls with the inlet flow line located 2 inches above the low point of the adjacent roof and having a minimum opening height of 4 inches. Overflow drains shall be connected to drain lines independent from the roof drains, and shall discharge above grade.

UBC 3303(a) second paragraph is amended to read as follows:

Buildings as structures used for human occupancy and each dwelling unit or guest room leased for gain shall have at least one door which meets the requirements of subsection (d).

Section 3304(h) of the UBC is amended to read as follows:

UBC 3304(h) Openings. Where corridor walls are required to be of one-hour fire resistive construction by subsection (g) above, every door opening shall be protected by a tight-fitting smoke and draft control door assembly having a fire-protection rating of not less than 20 minutes when tested in accordance with UBC Standard No. 43-2 without the hose stream test. The door and frame shall bear an approved label or other identification showing the rating thereof, the name of the manufacturer, and the identification of the service conducting the inspection of materials and workmanship at the factory during fabrication and assembly. Doors shall be maintained self-closing or shall be automatic closing in accordance with Section 4306(b)2. Other interior openings shall be fixed and protected by approved 1/4 inch thick wired glass installed in steel frames. The total area of all openings, other than doors, in any portion of an interior corridor shall not exceed 25 percent of the area of the corridor wall of the room which it is separating from the corridor. For duct openings, see UBC 4306.

EXCEPTIONS:

1. Protection of openings in the interior walls of exterior exit balconies is not required.

2. In Type I and II-F.R. buildings housing Group B-2 Occupancies, corridor walls may be of approved wired glass set in metal frames. The glass height shall not exceed 2/3 of the width of the corridor. A draft curtain of at least one hour fire-resistive construction and not less than 24 inches in height shall be provided to protect the corridor from the Group B-2 Occupancy area (tenant space). The draft curtain

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shall be located above the glass and extend a minimum of 24 inches below any finished ceiling in the tenant space. If the finished ceiling is not a fire-rated assembly, the draft curtain shall extend from the wire glass to a rated ceiling or floor assembly. When the B-2 Occupancy area (tenant space) is protected by an approved automatic fire-extinguishing system for a distance of twelve (12) feet in depth adjoining the corridor, and the corridor is not less than twelve (12) feet in width, glass other than wired glass may be approved. Open grille type gates and similar enclosing or security devices may be used in corridor walls of corridors not less than twelve feet in width, when the entire story is protected by an approved fire-extinguishing system.

In buildings of other than Type I or Type II-F.R. construction, this exception shall not be allowed, unless the entire building is provided with an approved automatic fire-extinguishing system.

3. In Group I Occupancies in which an approved complete standard automatic fire extinguishing system is installed, corridor doors serving sleeping rooms need not be maintained self-closing or be automatic closing. In buildings of type I, II fire-resistive, and II one-hour construction, the automatic fire-extinguishing system may be omitted from operating, delivery, cardiac, x-ray, and intensive care rooms when each such room is provided with smoke detectors connected to a continuously attended station or location within the building.

Table 33A is amended to read as follows:

Delete the right hand column entitled "Egress by means of a ramp or an elevator must be provided for the physically handicapped as indicated."

Also delete footnotes 2, 3, 4, 5 and 6.

Section 3318(c) of the UBC is amended to read as follows:

UBC 3318(c) Corridors. The minimum clear width of a corridor shall be 44 inches, except that corridors serving any area housing one or more non-ambulatory persons shall be not less than eight feet in width. There shall be no change of elevation in a corridor serving non-ambulatory persons unless ramps are used.

In Group I, Division 1 Occupancies such as jails, prisons, reformatories and similar buildings with open barred cells forming corridor walls, the corridors and cell doors need not be fire resistive.

In Group I, Division 1 Occupancies such as jails, prisons, reformatories and similar buildings, doors to corridors used by the inmates need not be maintained self-closing or be automatic closing, may project into the required width of the corridor, but when fully opened shall not reduce the required width by more than seven inches.

Section 3801(c) of the UBC is amended by adding a new definition after the definition of Fire Department Hose Connection and before the definition of Wet Standpipe:

FIRE DEPARTMENT STANDPIPE is a fire line system with a constant water supply and pressure and equipped with Fire Department inlet and outlet connections and installed exclusively for the use of the Fire Department.

Section 3802(b)5 of the UBC is amended to read as follows:

3802(b) In all Group I Occupancies except jails, prisons and reformatories, however, the respective increases for area and height specified in UBC 506(c) and UBC 507 shall be permitted.

EXCEPTIONS:

1. In hospitals of Types I and II F.R. construction, the automatic fire extinguishing system may be omitted from operating rooms, X-ray rooms, delivery rooms, cardiac and intensive care rooms and patient sleeping rooms not exceeding 600 square feet in area when each such room is provided with detectors of products of combustion other than heat, complying with UBC Standard No. 43-6.

2. In hospitals of Type II-1 hour construction, the automatic fire extinguishing system may be omitted from operating rooms, X-ray rooms, delivery rooms, cardiac and intensive care rooms when each such room is provided with detectors of products of combustion other than heat, complying with UBC Standard No. 43-6.

Add new Section 3802(d) of the UBC to read as follows:

3802(d) Special automatic fire-extinguishing systems. In all Occupancies having commercial cooking equipment (see NFPA no. 96A, 1975), automatic fire extinguishing systems complying with UBC Standard 38-1 or 38-2 shall be installed for protection of duct systems, grease removal devices, hoods and over commercial cooking equipment which may be a source of ignition (such as fat fryers, ranges, griddles and boilers). Systems installed in accordance with the following standards are also permitted.

1. Standards for foam-water sprinkler systems and foam-spray systems, NFPA No. 16-1974.

2. Standard for dry-chemical extinguishing system, NFPA No. 17-1975.

EXCEPTION: These requirements shall not apply to Group R-3 and Group R-4 Occupancies.

Section 3803(a) of the UBC is amended to read as follows:

3803(a) General. Fire Department Standpipes shall comply with the requirements of this section and NFPA 14-1976 for Class I standpipes.

UBC 3803(b) Where required. All buildings three or more stories in height, shall be equipped with one or more Fire Department Standpipes.

Exception: In buildings that are fully protected with an approved automatic fire extinguishing system the standpipes may be incorporated with the risers for such system.

UBC 3802(c) Location. There shall be one Fire Department Standpipe outlet connection located at every floor level landing above the first floor of every required enclosed stairway or smokeproof enclosure. Outlets at enclosed stairways shall be located within the enclosure. No point within a building requiring Fire Department Standpipes shall be more than 130 feet travel distance from a Fire Department Standpipe outlet connection.

Portions of Fire Department Standpipe systems not located within an enclosed stairway or smokeproof enclosure shall be protected by a degree of fire resistance equal to that required for vertical enclosures in the building in which they are located.

UBC 3803(d) Detailed requirements.

1. Construction. Fittings and connections shall be of sufficient strength to withstand 300 pounds per square inch of water pressure when ready for service. All Fire Department Standpipes shall be tested hydrostatically to withstand not less than 200 pounds per square inch of pressure for two hours, but in no case shall the pressure be less than 50 pounds per square inch above the maximum working pressure.

2. Size. The size of the standpipe shall conform to Chapter 2 of NFPA No. 14-1976 Edition.

Exception: The size of the standpipe may be reduced to 2-1/2″ in a building not exceeding 75′ to the topmost outlet of the standpipe riser and the building is fully protected with an approved automatic fire extinguishing system. Such reduction in standpipe size shall be based on the requirements of a hydraulically calculated system as outlined in Chapter 7 of NFPA 13-1976.

3. Fire Department connections. All Fire Department Standpipes shall be equipped with a two-way siamese fire department connection. Fire Department connections shall be interconnected in the system and shall be located on a street front, not less than 18 inches nor more than 4 feet above grade and shall be equipped with an approved straightway check valve and substantial plugs or caps. All Fire Department connections shall be protected against mechanical injury and shall be visible and accessible. More than one fire department connection may be required.

4. Outlets. Each standpipe shall be equipped with an approved 2-1/2 inch outlet not less than 2 feet nor more than 4 feet above the floor level of each story. All Fire Department Standpipes shall be equipped with a two-way, 2-1/2 inch outlet above the roof line of the building when the roof has a pitch of less than 4 inches in 12 inches and installed in a stairway or heated location. All outlets shall be installed so that a 12 inch long wrench may be used in connecting the hose with clearance for the wrench on all sides of the outlet. Standpipes located in smokeproof enclosures shall have outlets located in the vestibule or on the balcony. Standpipe outlets in stairway enclosures or smoke towers shall be so located that the exit doors do not interfere with the use of the outlet. All outlets shall be equipped with an approved valve, cap and chains.

5. Water Supply. The standpipe system shall deliver a water supply as required by Chapter 5, Water Supplies, NFPA No. 14-1976.

Section 3803 has been amended to add a new subsection as follows:

Section 3803(e) Dry Standpipes, when approved by the Fire Chief, may be installed in lieu of Fire Department Standpipes and shall conform to Section 3803 unamended of the UBC 1976 Edition.

Section 3804(b) of the UBC is amended to read as follows:

3804(b) Where required. Wet standpipes extending from the cellar or basement into the topmost story shall be provided in Group A Division 1, 2 and 2.1 Occupancies with an occupant load exceeding 1,000: in Groups I, H, B and B-4 Occupancies three or more stories in height; and in Groups H and B Occupancies having a floor area exceeding 20,000 square feet per floor.

EXCEPTIONS:

1. Wet standpipes are not required in buildings equipped throughout with an automatic fire-extinguishing system.

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2. Wet standpipes are not required in basements or cellars equipped with a complete automatic fire-extinguishing system.

3. Wet standpipes shall not be required in assembly areas used solely for worship.

Section 4701(a) of the UBC is amended to read as follows:

UBC 4701(a) General. The installation of lath, plaster and gypsum wallboard shall be done in a manner and with materials as specified in this Chapter, or as set forth in ASNI A42.2, 1971 Specifications for Portland Cement and Portland Cement-Lime Plastering, Exterior (Stucco) and Interior and ANSI A42.3, 1971 Specifications for Lathing and Furring for Portland Cement and Portland Cement-Lime Plastering Exterior (Stucco) and Interior, and when required for fire-resistive construction, also shall comply with the provisions of Chapter 43.

Other approved wall or ceiling coverings may be installed in accordance with the recommendations of the manufacturer and the conditions of approval.

Sections 5001 through 5006 of the UBC are amended to read as follows:

Sections 5001 through 5006 of the UBC are deleted and replaced by **SBC 301 through 337.**

Sections 5101 through 5104 of the UBC are amended to read as follows:

Section 5101, 5102, 5103 and 5104 of the UBC, Elevators, Dumbwaiters, Escalators, Manlifts, Moving Walks, Hoists and Lifts are deleted. **Refer to SBC 8801.**

UBC Chapter 60

Section 6001 is deleted in its entirety.

Section 6002 of the UBC is amended to read as follows:

Section 6002 Uniform Building Code Standards. The UBC Standards which are referred to in various parts of this Code shall be the Uniform Building Code Standards, 1976 Edition, and are hereby declared to be a part of this Code.

SBC 112 Validity clause. The SBC is amended by adding a new Chapter as follows:

SBC 112 Validity clause. If any section, subsection, sentence, clause, or phrase of this Code, is for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Code.

It is hereby declared that this Code and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

The SBC is amended by adding a new chapter as follows:

SBC Chapter 55 Facilities for the Handicapped

SBC 5501 Where required.

(a) General. In addition to other provisions in this Code, facilities for the handicapped shall be provided in accordance with this chapter. See UBC Chapter 17 for additional requirements.

(b) Scope. Provisions of this chapter shall apply to all buildings except the following:

1. Group R-3, Group R Division 4 and M Occupancies.

2. Temporary buildings.

3. Buildings not exceeding 150 square feet in floor area need not be provided with sanitation facilities for the handicapped specified in SBC 5503.

4. One story buildings, other than service stations, not exceeding 2,000 square feet in floor area need not be provided with sanitation facilities for the handicapped specified in SBC 5503 when approved by the Building Official.

5. Floors of buildings not used by the general public and on which handicapped persons cannot be employed because of the nature of the work.

6. Group R-1 Occupancies in which dwelling units are individually owned, sanitation facilities for the handicapped specified in SBC 5503 and other facilities for the handicapped specified in SBC 5504, need not be provided.

SBC 5502 Building accessibility.

(a) Definitions.

1. Ramp is a sloped walking surface within a building or attached to a building connecting levels of the building and may be part of an exit in accordance with SBC 3306.

2. Walk is a continuous, permanently defined pathway at grade between public ways and buildings, parking areas and buildings, or between buildings.

3. Slip-resistant is any surfacing of a floor, ramp, or walk which has an anti-slip coefficient of not less than 0.40 as defined in Research Paper No. RP-1879 of the National Bureau of Standards.

(b) Site approaches. Access to building entrances shall be by walks. Such walks shall be of concrete, asphaltic paving or similar permanent materials with slip-resistant surface, and shall be not less than 48 inches wide with a slope not to exceed one vertical to 20 horizontal.

(c) Building entrances. At least one required exit of the building shall be accessible for use as ingress for the handicapped, and shall be identified for such use. Such building entrance shall be at the main lobby or corridor, or shall be accessible thereto by ramp or elevator.

(d) Access to other stories. Access for the handicapped to other stories or levels of the building used by the general public and/or employees shall be by elevator or ramp, except the following:

1. Group R-1 Occupancies not exceeding three stories in height.

2. Other occupancies not exceeding two stories in height, and where the total occupant load is less than 100 on all floors other than the main floor.

Such ramp shall have a slip-resistant surface. It shall have a slope not to exceed one foot vertical to 12 feet horizontal and a landing at top and bottom, and where the rise exceeds three feet vertically, it shall have an intermediate landing located not to exceed two feet six inches vertically. Bottom landing shall have a minimum dimension of six feet measured in the direction of the ramp, and top and intermediate landings shall have a minimum dimension of five feet measured in the direction of the ramp. Handrails and guardrails shall be provided as required for stairs.

(e) Automobile parking areas. Where automobile parking spaces are provided at least one space per 50 spaces or fraction thereof, shall be provided for the use of the handicapped, and shall be identified for such use. Such parking spaces shall be not less than 12 feet in width, and located as near as practicable to the building entrance specified in SBC 5502(c).

(f) Doors and doorways. Doors and doorways serving buildings or portions thereof regulated by this chapter shall comply with the following:

1. Doorways or doors in an open position shall have a clear opening width of not less than 31 inches.

2. Doors shall be operable by a single effort with one hand.

3. In doorways consisting of two door leafs, at least one door leaf shall comply with the provisions of this section. See UBC 3303(d) for minimum exit door width.

4. Where access regulated by this chapter is through two or more sets of doors, as in a foyer, vestibule, or lobby, the space separating the doorways shall be not less than seven feet.

5. The floor or landing at doorways shall be level with, or not more than one-half inch lower than the threshold. Where the door swings over floor or landing such floor or landing shall extend not less than one foot beyond the door on the latch side.

6. In dwelling units specified in SBC 5503(a)1, entrances specified in SBC 5502(c), and toilet rooms or compartments specified in SBC 5503(c)1, door opening latch hardware shall have lever handles, and shall be not more than three feet six inches above the floor.

7. Doors serving toilet rooms or stalls shall be capable of being unlocked from either side.

(g) Stair Tread Nosing. Riser shall be slanted to meet the tread nosing edge, or where the tread extends beyond vertical risers, nosing shall be rounded and not project beyond the riser more than one inch.

(h) Aisles and lanes. Where pedestrian aisles or lanes are defined with directional barriers, rails, benches, merchandise, tables, seats or fences, at least one shall have not less than 31 inches clear width for use of the handicapped and shall be identified for such use.

SBC 5503 Sanitation facilities. Sanitation facilities may include toilets (water closets), urinals, lavatories, bathtubs, showers, sinks, and similar plumbing fixtures. For number and type of sanitation fixtures required in each occupancy, see Table 17-B.

(a) Where required.

1. In Group R-1 Occupancies having eight or more dwelling units or guest rooms, sanitation facilities shall be provided in accordance with Table 55-A. In a multiple-building development, the dwelling units or guest rooms containing sanitation facilities shall not be located solely in one building.

2. In other buildings regulated by this chapter, at least one required toilet room for each sex shall have not less than

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one toilet and lavatory complying with this section, and where urinals are provided, not less than one urinal complying with this section. In buildings having more than one toilet room for each sex, not less than two required toilet rooms for each sex shall comply with this section. Toilet rooms having plumbing fixtures required by this section shall be identified for use by the handicapped. Buildings having a posted room directory shall list the location of such toilet rooms in the directory.

(b) Location Other than Group R-1 Apartment Occupancies. In buildings with an elevator or ramp, the sanitation facilities may be located at any level served by elevator or ramp. Where sanitation facilities are required in buildings without an elevator ramp, the sanitation facilities shall be conveniently located at the required entrance level, accessible without leaving or re-entering the building.

(c) Sizes and Clearances.

1. Toilets. Toilet rooms or compartments shall have not less than 36 inches clear space at the front of the toilet and not less than 36 inches clear width between walls, free of door swing and other obstructions. Toilet seats shall be not less than 17 inches nor more than 20 inches above the floor. Grab bars shall be provided at both sides or one side and rear of the toilet. Such grab bars shall be securely fastened to support a load of not less than 250 pounds. They shall have an outside diameter of one and one-half inches and shall have one and one-half inches clearance from walls and partitions.

A. A horizontal grab bar shall be mounted so that the lowest point is ten inches above the toilet seat, and extends not less than six inches in front of the toilet bowl. Grab bar shall be not less than 12 inches long.

B. A vertical grab bar shall be mounted 12 inches from the front of the toilet bowl extending from 12 inches above the height of the toilet seat to 30 inches above the toilet seat.

2. Urinals. When provided, urinals shall have a clear access width of not less than 31 inches. The front lip of the bowl of wall mounted urinals shall be not more than 18 inches above the floor.

3. Lavatories. Lavatories shall have a clear access width of not less than 31 inches, clear height of not less than 29 inches to the bottom of the fixture apron, clear height of not more than 34 inches to the rim of the fixture, and a clear depth of not less than 12 inches under the fixture exclusive of bowl and waste pipe. The water control valves shall have lever handles.

4. Bathtubs. When provided, and shower is not furnished, the bathtub shall be equipped with a flexible hose hand shower not less than six feet in length, and a vertical height adjustment bar for the shower head of not less than four feet in length. The bathtub shall have a seat, either folding, retractable or fixed, not less than 17 inches nor more than 20 inches above the tub floor and not less than 15 inches deep, and of water-resistive material. Grab bars shall be provided at one side of the bathtub. Such grab bars shall be securely fastened to support a load of not less than 250 pounds. They shall have an outside diameter of one and one half inches and shall have one and one half inches clearance from walls and partitions.

A. A horizontal grab bar shall be mounted not less than four inches nor more than six inches above the rim of the bathtub. Grab bar shall be not less than 36 inches long.

B. A vertical grab bar shall be mounted 30 inches from the end of the tub extending from a height of nine inches to a height of three feet six inches above the rim of the tub.

Water valves shall be single lever control, and shall be accessible from the seat.

5. Showers. When provided, the shower stall shall be accessible for the handicapped with a lip or curb at entry no higher than one half inch above floor of room or stall. The shower stall shall have a seat, either folding, retractable or fixed, not less than 17 inches nor more than 20 inches above the shower floor, and not less than 15 inches deep, and of water-resistive material. Grab bars shall be provided at two sides of the shower compartment. Such grab bars shall be securely fastened to support a load of not less than 250 pounds. They shall have an outside diameter of one and one half inches and shall have one and one half inches clearance from walls and partitions.

A. A vertical grab bar shall be mounted on the wall opposite the seat extending from a height of three feet to a height of five feet above the floor of the shower.

B. A horizontal grab bar shall be mounted on the wall adjacent to the seat ten inches above the seat. Grab bar shall be not less than 18 inches long.

Water valves shall be single lever control and shall be accessible from seat.

6. Kitchen Sinks. When provided, kitchen sinks shall have a clear access width of not less than 31 inches, clear height of not less than 29 inches to the bottom of the fixture apron, clear height of not more than 34 inches to the rim of the fixture, and clear depth of not less than 12 inches under the fixture exclusive of bowl and waste pipe. The water control valves shall have lever handles.

SBC 5504 Other facilities.

(a) Kitchen facilities. In dwelling units in which sanitation facilities for the handicapped are required, kitchen facilities shall be provided as follows:

1. Space. Clear space of not less than five feet measured between walls, cabinets, appliances, or other obstructions shall be provided. Where cabinets have a base toe space of not less than deep and eight and three fourths inches high, the clear space may be measured from such toe space.

2. Range controls. Range control handles shall be located at the front or side of the range.

3. Work space. Work space shall have a clear access width of not less than 31 inches, clear height of not less than 29 inches to the bottom, clear height of not more than 34 inches to the top, and clear depth of not less than 12 inches under the work space. The work space shall have not less than four square feet of area with a minimum dimension of 24 inches. It may be fixed, folding or retractable.

(b) Toilet room accessories.

1. Mirror and/or shelves. Where mirrors and/or shelves are provided, at least one shall be mounted so that the bottom is no higher than 40 inches above the floor.

2. Towel racks, dispensers, disposal units. Where wall-mounted towel racks, dispensers, waste disposal containers or similar appliances are provided, at least one of each shall be mounted so that working height is no higher than 40 inches above the floor, and shall be free of interference by grab bars or other appliances or fixtures.

SBC 5505 Viewing positions in assembly occupancies.

(a) Accessibility. Viewing positions required in this section shall be accessible for the handicapped by walk, ramp, or elevator, or combination thereof, through principle entrance.

(b) Number. Performance viewing positions in assembly occupancies with fixed seating shall be provided in accordance with Table 55-B.

(c) Space Requirements. One of the following shall be provided:

1. Clear spaces free of fixed or portable seats, or with removable fixed seats.

2. Spaces with readily removable portable seats.

(d) Location. Viewing positions shall be located at the main floor.

(e) Floor Surface. Viewing positions shall have level floor surfaces.

SBC 5506 Controls and electrical switches.

(a) Height. The top of controls for elevator controls, thermostats, manual fire alarms, and similar equipment in all buildings regulated by this chapter and electrical switches and receptacles in dwelling units regulated by this chapter shall be no higher than five feet above the floor.

SBC 5507 Tactile identification.

(a) Where required. Spaces normally used by the general public shall have tactile identification, such as raised or recessed letters, labels or plaques. The tactile identification shall not be less than four feet six inches nor more than five feet six inches above the floor, mounted on the wall adjacent to the door of the space identified, on the side nearest the door handle.

(b) Floor numbers at elevators. Floor numbers shall be tactily identified for the visually handicapped by raised or recessed numbers attached to the elevator door jamb at each floor, not less than three feet six inches nor more than four feet six inches in height above the floor.

(c) Elevator controls. Elevator controls shall have tactile identification by raised or recessed letters, labels or plaques.

(d) Door handles. Doors to stairs other than exit stairs, loading platforms, boiler rooms, stages, and doors serving other hazardous locations shall have knurled or similarly marked door handles.

SBC 5508 Figures. Figures 55-1 through 55-18 of this chapter are illustrative only. See appropriate chapter sections for specific provisions.

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Table 55-A

Sanitation Facilities for the Handicapped

Number of Dwelling Units/ Guest Rooms in Building	Number of Dwelling Units/ Guest Rooms requiring Sanitation Facilities
0-7	0
8-39	1
40-59	2
60-79	3
80-99	4
100-119	5
120-139	6
140-159	7
160-179	8
180-199	9
200-	10 plus 1 per each 50 units exceeding 200

Table 55-B

Viewing Positions

Motion Picture Auditoriums	
Occupant Load	Minimum Viewing Positions
500 and Less	4
Over 500	8
Other Assembly Occupancies	
500 and Less	4
501-1000	12
1001-1500	16
Over 1500	16 plus 1 per 500 additional

SBC 8601 Electrical. Scope. All new electrical wiring, apparatus and equipment for electric light, heat and power shall comply with the regulations contained in the 1975 Edition of the National Electrical Code as approved by the American National Standards Institute (ANSI CI-1975) and Minnesota Statutes § 326.2453, and the State Building Code as promulgated by the Commissioner of Administration, namely:

1. UBC[1] Section 605 (circuit)

2. UBC Section 810 (fire alarms)

3. SBC[2] Section 111 amending Chapter 5 of UBC Section 512 (G.F.I. Roof Access)

4. SBC[2] Section 111 amending Section 810 of the UBC (fire alarms)

5. SBC Section 111 amending 909 of UBC (fire alarms)

6. UBC Section 909 (fire alarms)

7. UBC Section 1302(b) (fire alarms)

8. UBC Section 1310 (fire detection)

9. UBC Section 1413 (fire warning system)

10. UBC Section 1807(j) (standby power)

11. UBC Section 3312 (exit signs and illumination)

12. UBC Section 4303(h)6 (floor/ceiling system)

13. UBC Section 4305(b) (floor/ceiling — roof/ceiling)

14. SBC Section 8806-2K. (standby power)

15. SBC Section 110 Electrical Requirements within the Flood Plain

16. SBC Chapter 55 Electrical Requirements for the Physically Handicapped

17. SBC[3] 2MCAR 1.16001-1.16006 Electrical Requirements for Energy Conservation

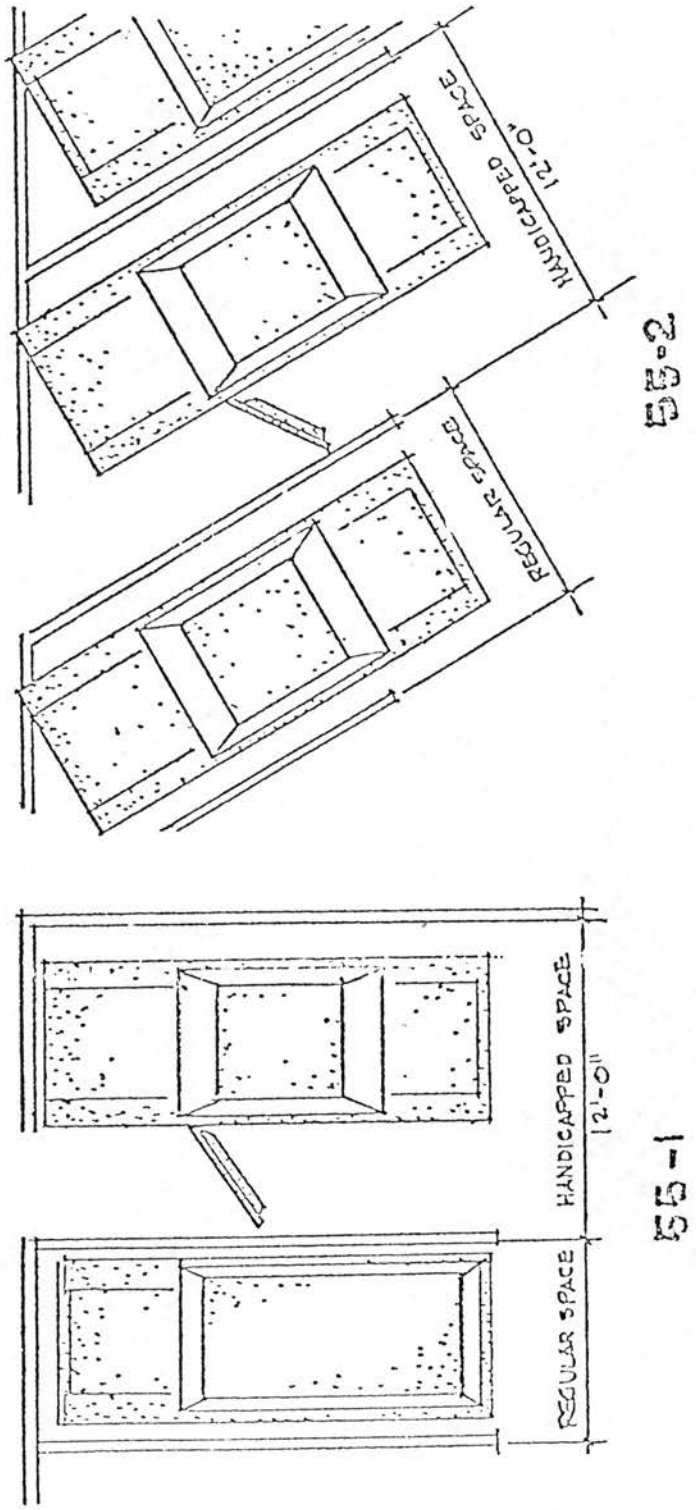
Amend SBC 304 to read as follows:

SBC 304

a. Approval. The State Building Inspector reserves to himself the responsibility for approving manufactured buildings, building systems and component for compliance with the Code. Such responsibility may be delegated by him to approved evaluation agencies.

[1] Uniform Building Code
[2] State Building Code
[3] See Composition and Use of the State Building Code

SBC 5502(e) Automobile Parking Facilities

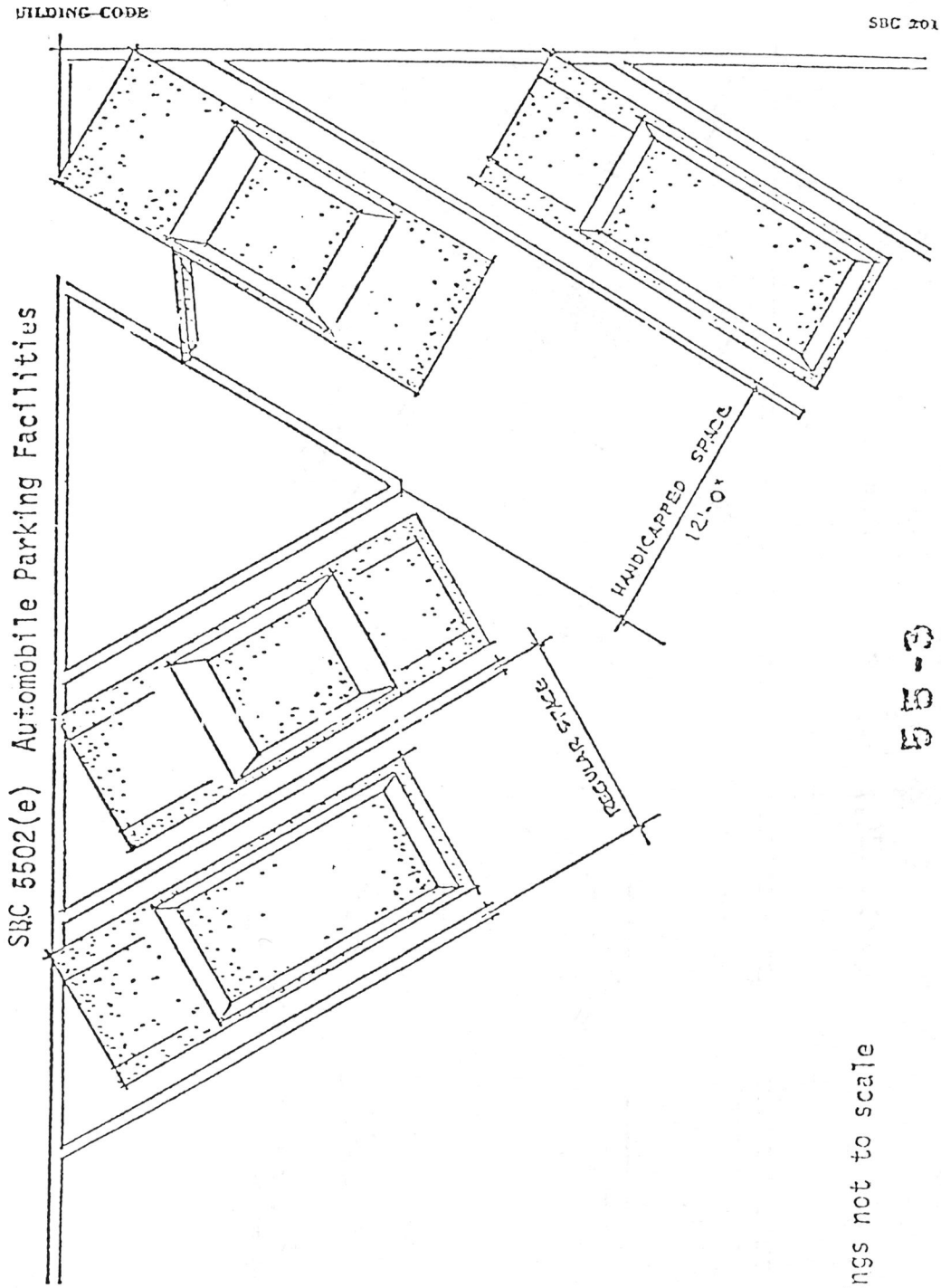


B-2

B-1

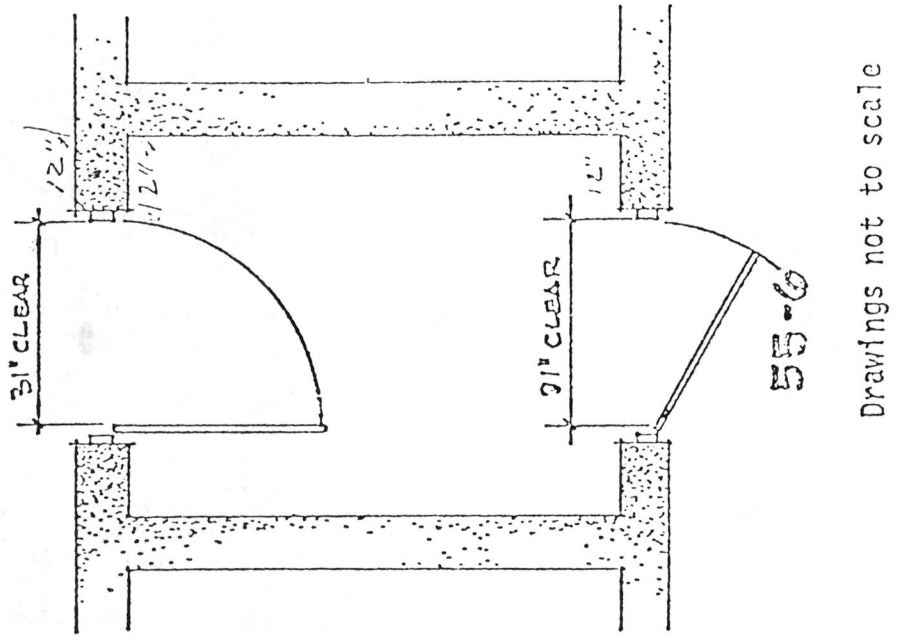
Drawings not to scale

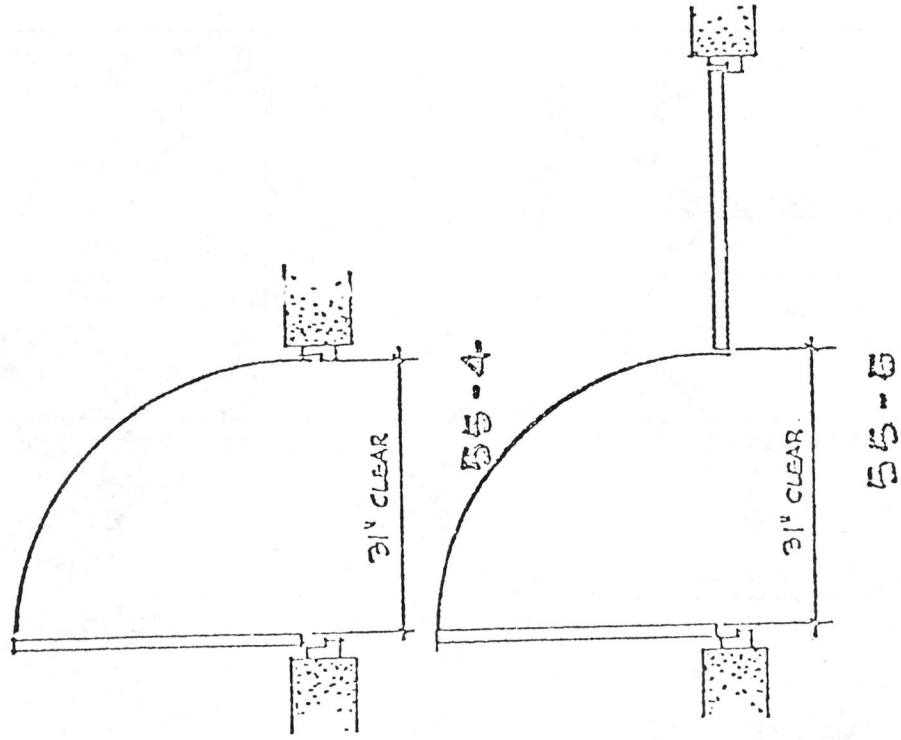
KEY: RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language. **PROPOSED RULES SECTION** — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material."


UILDING CODE
SBC 201
SBC 5502(e) Automobile Parking Facilities
HANDICAPPED SPACE
12'-0"
RECTANGULAR SPACE
55-3
Drawings not to scale

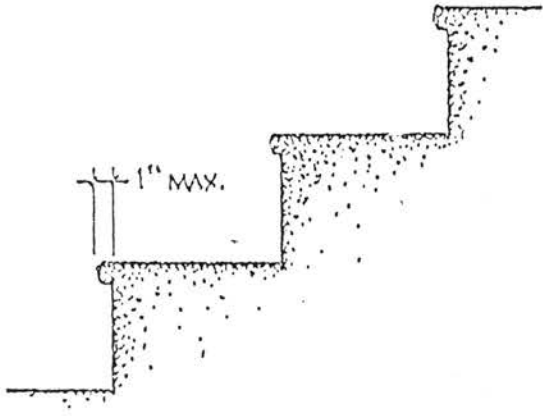
SBC 5502(f) Doors and Doorways

Drawings not to scale





SBC 5502(g) Stair Tread Nosing



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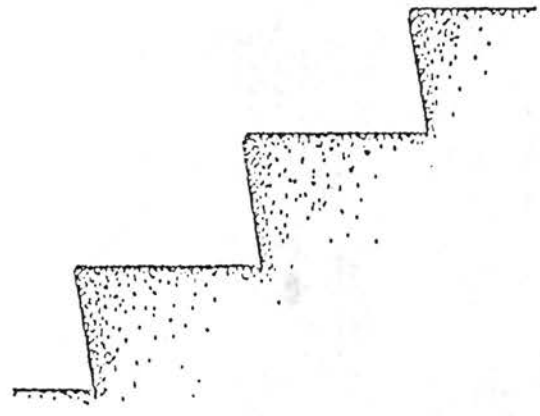

55-8

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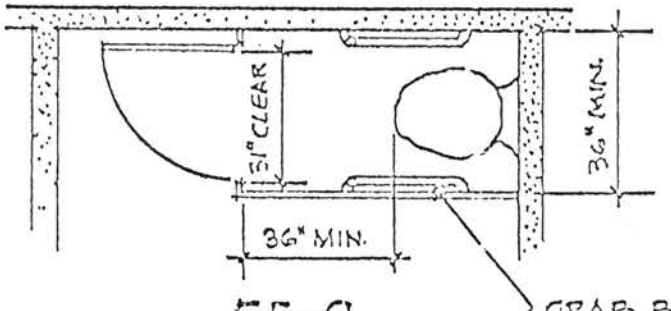
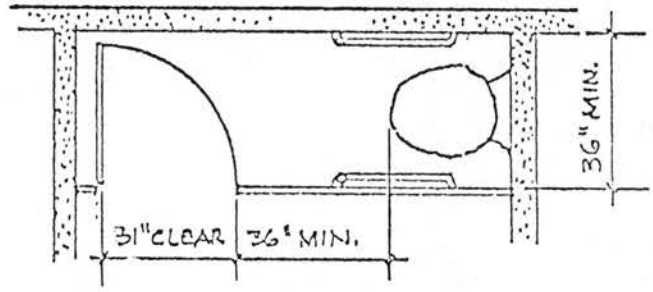
SBC 5503(c) Sizes and Clearances

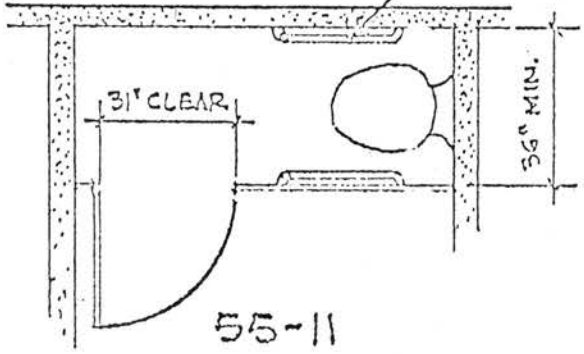


55-9

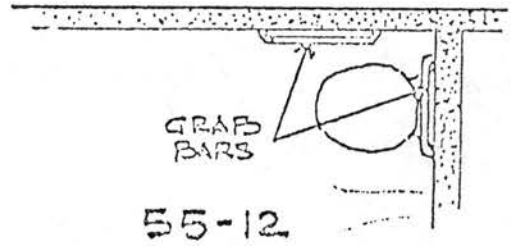


55-10

GRAB BARS



55-11



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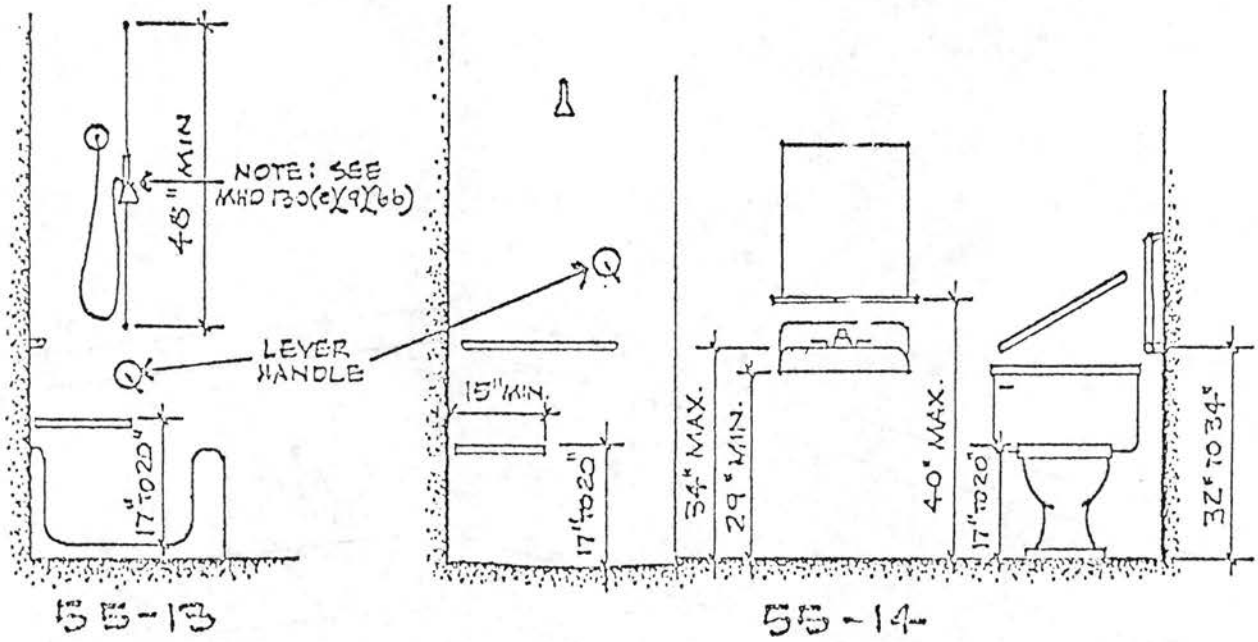
SBC 5503(c) Sizes and Clearances



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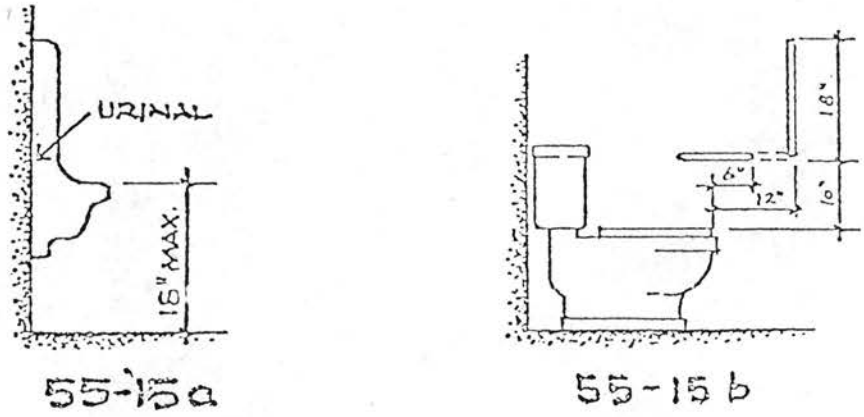
SBC 5503(c) Sizes and Clearances



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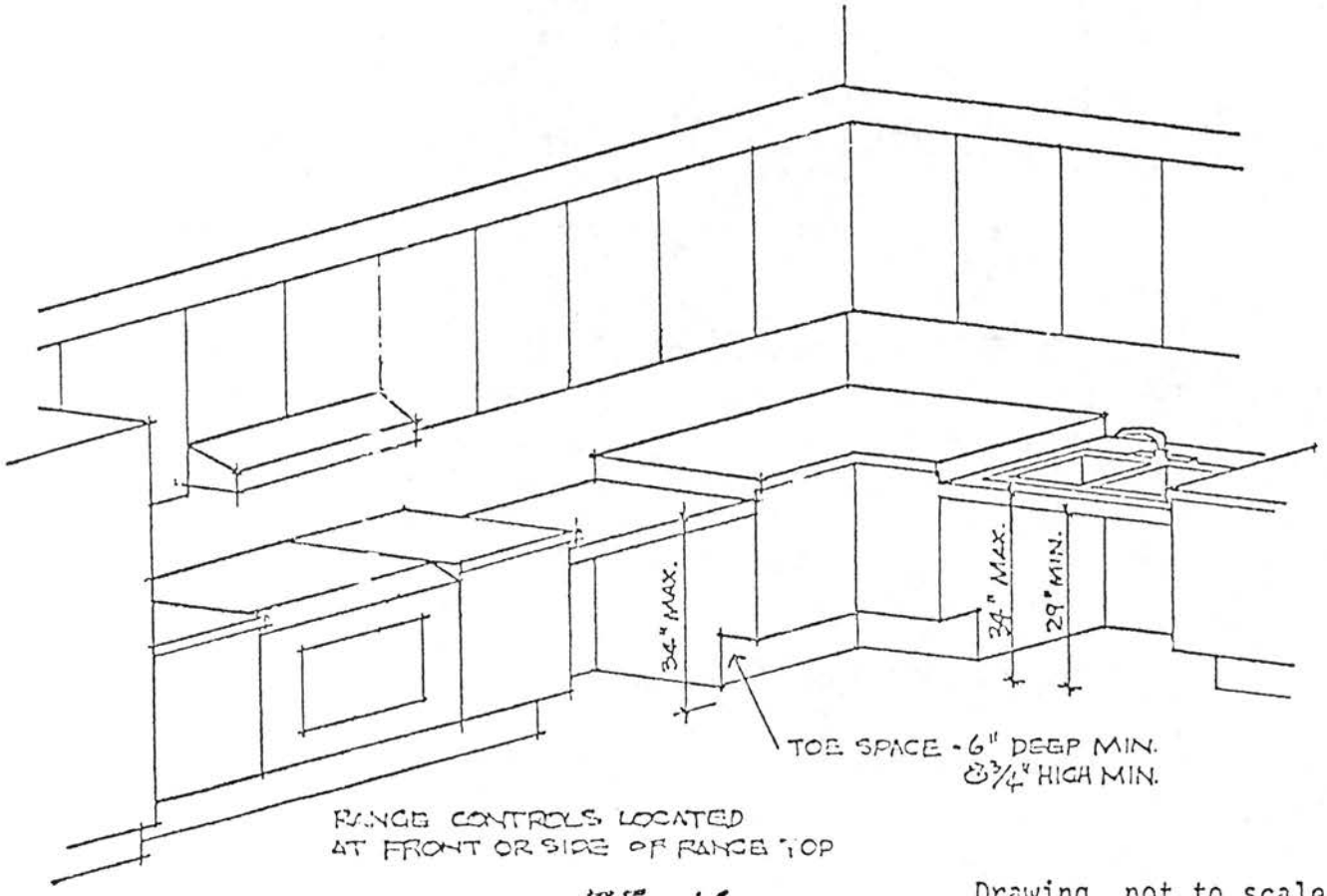
SBC 5504(a) Kitchen Facilities



55-16

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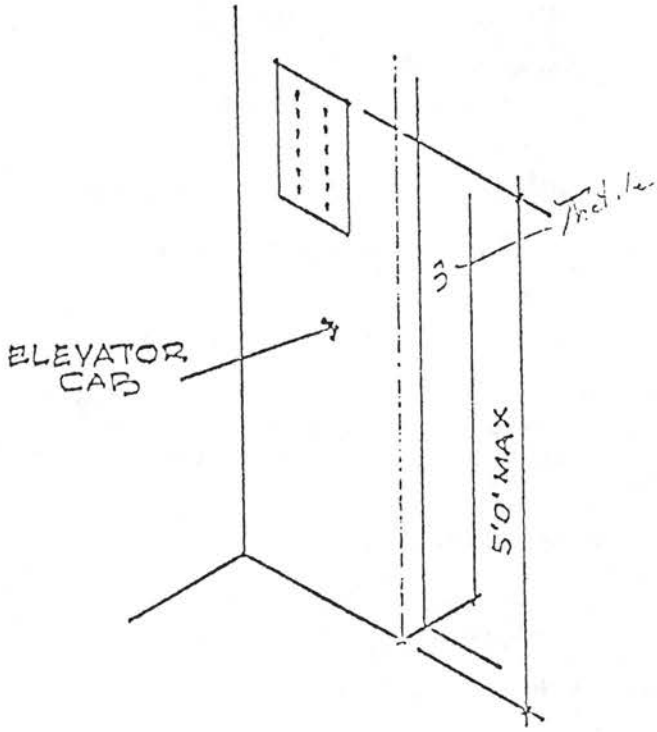
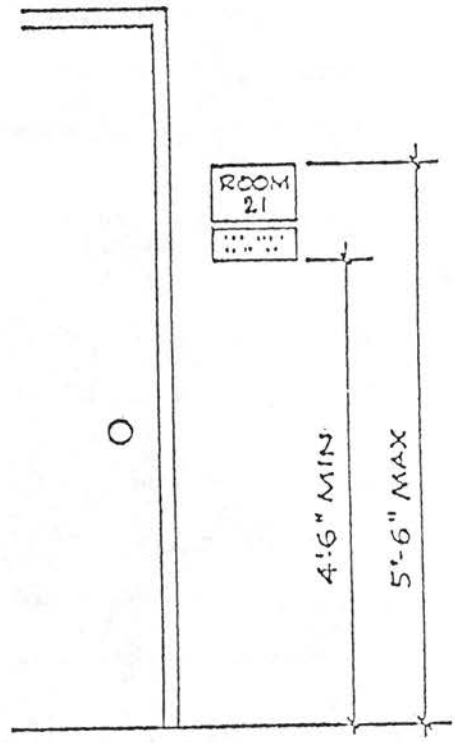
SBC 5506(b) Elevator Controls



55-17

SBC 5507 Identification



55-18

Drawings not to scale

b. Bi-annual approval renewal. Manufacturers shall submit plans bi-annually for re-evaluation and approval.

c. Approval expiration. Approvals shall expire when there are revisions to the Code under which the approval was granted. At such time the manufacturer shall:

1. Submit entire new documentation for evaluation and approval or;

2. Submit evidence that the plans as approved are in compliance with the Code as revised.

SBC 314(c) deleted in its entirety.

Amend SBC 326 to read as follows:

SBC 326 Plan approval procedures. A plan approval shall be obtained from the State Building Inspector or the evaluation agency for manufactured buildings and systems. Such approvals are mandatory for all closed construction. Approval for open construction is optional to the manufacturer. General requirements:

(a) Applications, plans, specifications and other documentation shall be submitted in sufficient copies as required. Plan size shall not exceed 18 inches by 24 inches.

Amend SBC 330 to read as follows:

SBC 330 Required construction details. Plans shall provide or show, but not be limited to, the following details:

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(a) General.

1. Details and method of installation of manufactured buildings or components to foundations or to each other.

2. All exterior elevations.

3. Cross sections as necessary to identify major building components.

4. Details of flashing, such as at openings and at penetration through roofs. Indicate flashing and gauge to be used.

5. Attic access and attic ventilation.

6. Exterior wall, roof and soffit material as well as finish.

7. Interior wall and ceiling finish material.

8. Fire separation details.

9. Sizes, locations and types of doors and windows.

10. Recommended foundation plans, vents and underfloor access.

11. Evidence of compliance with the Design and Evaluation Criteria for Energy Conservation in New Buildings, Additions, Remodeled Elements of Buildings, and Standards for Certain Existing Public Buildings, 1977 Edition 2MCAR 1.16001 through 1.16006.

Amend SBC 335(d) to read as follows:

(d) Seal fee. Twenty dollars (20.00) per seal.

Amend Minnesota Plumbing Code (MHD) Table 123(c) (3) III by adding sections 3P and 3Q as follows:

3P Copper Alloy Water Tube ½ inch and ¾ inch ASTM B447, ASTM B-75

3Q Welded Brass Water Tube ½ inch and ¾ inch ASTM B587

Amend MHD Table 123(c) (3)V as follows:

5Q Bituminized Fiber Drain and Sewer Pipe D1861 SSP-1540A.

Amend MHD 123(d) (3) (33) to read as follows:

(ee) Copper tube 3E or 3G with 3N wrought fittings or 3D fittings with provisions that it be installed to allow for expansion or contraction and that all stubs through concrete floors must be sleeved or protected by resilient material.

Amend MHD 123(d)(3)(ff) as follows:

Copper Tube 3H with 3N fittings except that this material may not be buried under or embedded in a concrete slab.

Amend MHD Table 123(c)(3) III 3J to read as follows:

3J Seamless copper tube, Type M hard and soft temper H23-1 B88

Amend MHD 123(d)(3)(gg) to read as follows:

Copper 3J, 3Ja, 3Jb, 3P or 3O with 3N fittings may be installed exposed or in frame partitions, or in tunnels and shafts, except that this material may not be laid underground or imbedded in masonry or concrete.

Amend MHD 123(d)(4)(cc) as follows:

Asbestos cement 5A and 5C and fittings laid on a continuous granular bed.

Amend MHD 123(d)(4)(ff) as follows:

Concrete 5N and 5M and fittings.

Amend MHD 123(d)(4)(gg) as follows:

Plastic 6a, 6B, 6C(1) and 6C(2) laid on granular bed.

Amend MHD 123(d)(6)(bb) as follows:

Concrete 5N and 5M and fittings.

1. MHD 123(d)(9)(ff) Plastic 6A or 6B with corresponding fittings may be installed except that no horizontal drain may exceed 35′ in total length. No stack may exceed 35 feet in total height unless an approved expansion and contraction joint is installed at intervals not to exceed 35′.

2. MHD 123(d)(11)(hh) Plastic 6A or 6B with corresponding fittings may be installed except that no horizontal vent may exceed 35 feet in total length. No vent stack or stack vent may exceed 35 feet in total height unless an approved expansion and contraction joint is installed at intervals not to exceed 35 feet.

3. MHD 124(a)(2)(mm) Plastic Joints. Every joint in plastic piping shall be made with approved fittings by either solvent welded or fusion welded connections or with approved insert fittings and metal clamps and screws of corrosion-resistant material or threaded joints according to accepted standards. All solvent materials must meet ap-

proved recognized standards. Expansion and contraction joint materials and dimensions shall conform to ASTMD-2661 or ASTMD-2665 and shall be of an approved type.

Amend MHD 123(d)(14) Special Materials by adding a new section (gg) to read as follows:

(gg) Plastic Tubular Traps, Plastic (ABS and PVC) Tube and Tubular Fittings for Waste Connections. All tubular fittings must comply with the requirements of ASTM Standard F409.

Delete Table 127(b)(1).

Amend MHD 127(b) to read as follows:

(b) Required Minimum Number of Fixtures

(1) Plumbing fixtures shall be provided for the type of building occupancy and in the minimum number shown in Table 17-B of the Uniform Building Code as amended in SBC 111.

Types of building occupancy not shown, or special construction will be considered individually by the Administrative Authority.

Amend MHD 132(d)(2) as follows:

(2) Waterproof Flashings. Each vent terminal shall be made watertight with the roof by proper flashing of copper, lead, galvanized iron, or other approved flashings or flashing materials. Vent pipe terminals shall pass through the roof and shall be at least 2 inches in diameter.

When approved by the Administrative Authority, other materials or methods may be used which provide adequate protection.

Amend MHD 133(h)(1) by adding a new section (bb) to read as follows:

(bb) Overflow Drains. For overflow drains refer to Section 3207(c) of the Uniform Building Code.

Amend MHD 124(a)(2)(11-4) as follows:

(11-4) Mechanical Joints in Hubless Cast Iron Soil Pipe. Mechanical joints for hubless cast iron soil pipe and fittings may be made by using a neoprene sleeve and stainless steel retaining band as specified in CISPI standard 301, or

Mechanical joints for hubless cast iron soil pipe and fittings may be made by using coupling consisting of the housing fabricated in two parts of grey-cast iron casting in accordance with ASTM A.48. The coupling gasket shall be molded neoprene rubber per ASTM C564. Coupling bolts and nuts shall be made of 18-8 stainless steel.

Amend SBC 8806 as follows:

Elevators, Dumbwaiters, Escalators and Moving Walks.

1. The eighth edition of American National Safety Code for Elevators, Dumbwaiters, Escalators and Moving Walks — ANSI A17-1971 including supplements ASNI A17.1a-1972, ANSI A17.1b-1973, as amended herein. ANSI A17.1c-1974, ANSI A17.1d-1975, ANSI A17.1e-1975, ANSI A17.1f-1975 and ANSI A17.1g-1976 are hereby incorporated by reference and made a part of this Code. All references in ASNI A17.1-1971 and supplements to the National Electrical Code ANSI C1-1968 and ANSI C1-1971 shall be changed to read: "National Electrical Code" ANSI C1-1975 (NFPA 70-1975.)

SBC 8806-2-I is amended as follows:

SBC 8806-2-I. In each elevator lobby served by elevators complying with rule 211.3 of the supplement to the Elevator Code identified as ANSI A17.1b-1973, all automatic-operation elevators serving three or more stories above or below the main floor or having a travel of twenty five (25) feet or more above or below the main floor, at least one elevator car serving all floors in a building shall have a platform size that is standard for the elevator supplier, and capable of accommodating an ambulance stretcher in its horizontal position. The opening to the elevator car shall be capable of passageway for such ambulance stretcher.

Amend rule 100.4a to read as follows:

100.4a Vents required. Hoistways of elevators serving more than three (3) floors shall be provided with means of venting smoke and hot gases to the outer air in case of fire. Vents may be manually openable or remote control automatic vents.

EXCEPTIONS:

Hoistways not extending into the top floor of the building, in buildings other than hotels, apartment houses, hospitals and similar buildings with overnight sleeping quarters, where the hoistways are equipped with approved automatic sprinklers connected to the building water-supply system or

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to an approved automatic sprinkler system (See NFPA No. 13-1976 Sprinkler System).

Such systems shall be responsive to an accumulation of smoke as well as heat at the top of the hoistway.

Amend rule 100.4b to read as follows:

100.4b Location of Vents. Vents shall be located:

1. In the side or top of the hoistway enclosure or directly below the floor or floors at the top of the hoistway, and shall open either directly to the outer air or through noncombustible ducts to the outer air; or

2. In the wall or roof of the pent-house or overhead machinery space above the roof, provided that openings have a total area not less than the minimum specified in Rule 100.4c and vents passing through machine rooms must be in noncombustible ducts.

When a vent is installed in the roof of the hoistway, a protective grill shall be provided to prevent persons from falling into hoistway.

Amend Rule 204.2a 2 as follows:

204.2a 2. Slow burning combustible materials for insulating, sound deadening or decorative purposes may be used for lining enclosures if firmly bonded flat to the enclosure. Such materials shall not be padded. Materials used must have a Class I flame spread rating.

Amend SBC section 8806-9(g) as follows:

SBC 8806-9(g) One (1) car in each bank of automatic-operation elevators serving five (5) or more floors above or below the main floor shall be provided with emergency service controls as specified in Rule 211.3a of this supplement.

Amend rule 211.3a-4 of ANSI A17.1b-1973 as follows:

Rule 211.3a-4. A two position (off, and on,) key-operated switch shall be provided in or adjacent to an operating panel in each car and it shall be effective when the main floor key-operated switch (see 211.3a-1) is in the "on" position or a sensor has been activated and the car has returned to the main floor or other approved level. The key shall be removable only in the "off" position and when in the "on" position, it shall place the elevator on emergency operation.

Amend SBC 8806-2 K to read as follows:

SBC 8806-2K. Standby power. In every building over one story and more than 75 feet in height, emergency power shall be provided for at least one passenger elevator in each bank. This emergency power shall be transferable to any other elevator in the bank and shall be capable of operating the elevator with a full load at contract speed or not less than 150 feet per minute. Emergency power shall be provided by an approved self-contained generator set to operate whenever there is a loss of power in the normal power supply. The generator shall be in a separate room having at least a one-hour fire resistive occupancy separation from the remainder of the building and shall have an on site fuel supply adequate to operate the equipment for two hours. See UBC Standards 18-1.

Amend SBC 8806 J to read as follows:

Exterior elevator call buttons shall be placed not higher than 60 inches above the floor. No emergency stop switch, door opening and door closing buttons, or elevator floor buttons shall be placed higher than 60 inches above the floor.

Add a new appendix "D" to the Minnesota State Building Code.

Chapter 41 Building Security

Purpose.

Section 4101. The purpose of this Chapter is to provide minimum standards of design, construction and quality of materials for all applicable buildings to safeguard life, property and the public welfare from the perils of burglary and other unlawful trespasses.

Scope.

Section 4102. The provisions of this Chapter shall apply to all accessible openings into dwelling units or guest rooms of Groups (R-1), (R-3) and (R-4) occupancies.

Limitations.

Section 4103. Building security methods which will create a hazard to life by obstructing any means of egress or any opening which could be used as an emergency exiting facility shall be prohibited.

The provisions of this Chapter shall not supersede the safety requirements relative to latching or locking devices on exit doors which would be contrary to the provisions of Chapter 33 nor shall the provisions of this Chapter be construed to waive any other provisions of this code.

Definitions.

Section 4104. For the purposes of this Chapter, certain terms are defined as follows:

Accessible Opening is any opening, or part thereof, in a

wall defining the perimeter of a dwelling unit or guest room, which is located within 12 feet (3.63 m) vertically or 6 feet (1.83 m) horizontally of any surface or building appendage which would tend to supply access to said opening from either ground level or adjacent occupancies or structures. This definition also includes openings leading from breezeways, porches or garage areas into dwelling units.

Swinging Door Assembly is a unit composed of a group of parts or components that make up a closure for a passageway through a wall. For the purposes of this chapter, a door assembly consists of the following parts: door, hinges, locking device or devices, operation contacts (such as handles, knobs, push plates), miscellaneous hardware and closers, the frame, including the head and jambs plus the anchorage devices to the surrounding wall.

Horizontal Sliding Door Assembly forms a closure for a passageway through a wall and consists of a frame, one or more operative panels that slide (roll) horizontally within the frame and ancillary hardware such as rollers and locking devices. Such assemblies may also contain fixed panels which are fastened to the frame and/or to the wall in which the frame is installed.

Window Assembly is a unit composed of a group of parts or components that make up a closure for an opening in a wall to control light, air and other elements, and which normally includes: glazed sash, hinges or pivots, sash lock, sash operator, window frame, miscellaneous hardware and the anchorage between the window and the wall.

For additional definitions, see UBC Standards No. 41-1 and No. 41-2.

Swinging Doors.

Section 4105. (a) General. All accessible prime swinging door assemblies shall be designed, constructed and installed so that, when in the locked position they shall not permit entry when subjected to the forces shown in Table 41-A and tested in accordance with UBC Standard No. 41-1 Part A.

(b) Entry vision. All entry doors to dwelling units or guest rooms shall be arranged so that the occupant has a view of the area immediately outside the door without opening the door. Such view may be provided through approved view ports or glazed openings when provided in compliance with UBC Chapter 33 and Sections 4105(i) and 4107 of this Chapter.

(c) Frames/jambs. Door jambs shall be installed with solid backing in such a manner that no voids exist between the strike jamb and the frame opening for a vertical distance of 6 inches (150 mm) each side of the strike.

1. Hollow metal frames shall be filled with concrete or similar noncrushable substance on the strike side of the frame.

2. In wood framing, horizontal blocking shall be placed between studs at door lock height for 2 stud spaces each side of the door opening. Trimmers shall be full length from the header to the floor with solid backing against sole plates.

3. Jambs for inswinging doors shall have the stop and jamb of one piece or equivalent construction.

(d) Hinges. Hinges for outswinging doors shall be equipped with nonremovable hinge pins or a mechanical interlock to preclude removal of the door from the exterior by removing the hinge pins. In wood framing, door frames shall be shimmed behind the hinges and such hinges shall be mounted with a minimum of 2 No. 8 size screws, or equivalent, penetrating at least 2 inches (5 cm) into solid backing beyond the surface to which the hinge is attached.

(e) Bolts and latches. A minimum of one deadlocking bolt and one deadlocking latch, or equivalent, shall be provided for all accessible single swinging doors. Such bolts shall have minimum projections of 1 inch (25 mm) and such latches shall have minimum projections of 1/2 inch (12 mm).

1. Pairs of swinging doors shall have the inactive leaf secured by vertical throw bolts with a minimum projection of 1/2 inch (12 mm), or equivalent, and the active leaf shall be subject to the same provisions as for single swinging doors.

Exception: Doors connecting directly between dwelling units or guest rooms shall be equipped with a minimum of one deadlocking bolt which shall be key operated from both sides or equivalent.

(f) Strikes. Metal strikes shall be required for all locking devices and shall have a minimum thickness of .062 inches (1.5 mm). In wood framing, such strikes shall be mounted with a minimum of 2 No. 8 size screws, or equivalent, penetrating at least 2 inches (5 cm) into solid backing beyond the surface to which the strike is attached.

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1. Strikes used for dead latches shall not allow the dead-latch plunger to enter the strike hole with the latch after installation.

(g) Lock activating devices. Lock cylinders shall be so designed or protected as to preclude disassembly from the exterior by twisting, prying, pulling or other manipulation.

1. When key-in-knob locksets are constructed such that the deadbolt and dead latch are mechanically interconnected, such locksets shall be so designed or protected that the lock cannot be compromised by wrenching the knob from the exterior or knocking the knob off to gain access to the locking means and manipulating the bolt and latch by hand or with the aid of a screwdriver to gain access.

(h) Keying requirements. Keyed locks, other than master keyed locks, shall have a minimum of 5 tumblers or be of such design as to provide a minimum of 10,000 possible interchange-free combinations. Master-keyed locks shall provide a minimum of 1,000 interchange-free combinations.

1. A system of construction keying must be provided which will insure that the use of construction keys will be precluded after occupancy by a new tenant or resident.

2. All dwelling units or guest rooms grouped within a building or complex shall have access locks keyed differently.

(i) Door panels and Glazing. Door panels or glazing materials located within 36 inches (900 mm) of the inside lock activating device of an accessible swinging door assembly shall withstand the required impacts in accordance with the appropriate provisions of UBC Standard 41-1 Part A, Sec. 41.1007(h).

Exceptions: 1. Openings in doors, when such openings do not exceed 2 inches (50 mm) in the smaller dimension.

2. When the glazing material is U.L. Listed Burglary Resisting Glazing Material (UL Standard 972) installed in an approved manner according to manufacturer's specifications.

3. When the opening is protected by approved metal bars or grilles having a pattern such that the minimum dimension of any opening on the bars or grilles does not exceed 2 inches (50 mm).

Horizontal sliding doors.

Section. 4106.

(a) General. All accessible prime horizontal sliding doors shall be designed, constructed and installed so that, when in the locked position they shall not permit entry when tested in accordance with UBC Standard No. 41-1 Part B.

Windows.

Section 4107.

(a) General. All accessible prime windows assemblies shall be designed, constructed and installed so that, when in the locked position they shall not permit entry when tested in accordance with UBC Standard No. 41-2.

Exceptions. 1. Fixed windows which are not designed to open; the glazing material of which may be installed in a sash, or may be installed directly into a window frame.

2. Windows located more than 36 inches (900 mm) from the inside lock activating device of a swinging door assembly when such windows have a clear cross section of 96 inches^2 (600 cm^2) or less and have as their smallest dimension a span of less than 6 inches (150 mm).

3. "Windows that are not emergency egress as regulated by UBC Sections 1304 and 1404, may be protected by approved metal bars or grilles having a pattern such that the minimum dimension of any opening in the bars or grilles shall not exceed 2 inches. The windows shall be equipped with a quick-acting release requiring no special knowledge or skill to operate.

Disassembly.

Section 4108. All accessible prime door and window assemblies and components shall incorporate no screws, bolts, nails, staples or other mechanical fasteners which are accessible from the exterior and which could be removed by hand with the aid of a knife, screwdriver or pliers within a period of 5 minutes, thus permitting entry by disassembly.

Acceptance.

Section 4109. The methods of installation and on-site assembly of swinging door units and other assemblies as described in this Chapter shall be deemed to meet the standards of this Chapter.

All assemblies and components which are otherwise subject to the Standards of this Chapter shall have a label or other identification indicating compliance with the applicable standards.

Exception: Such labeling requirements may be waived and the subject products deemed to qualify where proof of compliance satisfactory to the building official is submitted as per American National Standard Practice for Certification by Producer or Supplier, ANSI Z34.2-1969.

Alternate security provisions.

Section 4110. The provisions of this Chapter are not intended to prevent the use of any device or method of construction not specifically prescribed by this Chapter when such alternate provides equivalent security and has been approved by UBC 106 and UBC 107.

TABLE NO. 41-A SWINGING DOOR ASSEMBLIES[1]

TEST	Measure	Level
Static Bolt Lead[2]	Resistance	150 lbf (670 N)
Hinge Pin Tensile Load[3]	Resistance	50 lbf (225 N)
Jamb/Wall Stiffness[4]	Force to Spread	1350 lbf (6000 N)
	Increase in Lockfront to Strike Space	0.375 In. (9.5 mm)
Knob Torque[5]	Resistance (25 N-m)	18.5 lbf-ft
Cylinder Core Load	Resistance	290 lbf (1300 N)
Knob Impact[5]	Resistance	One blow of 74 ft-lbf (100 J)
Door Impact	Impact resistance at center and panel	2 blows of 59 ft-lbf (80 J)
	Impact resistance at glazing[6]	One blow of 74 ft-lbf (100 J)
Hinge Impact	Impact resistance at hinge	2 blows of 59 ft-lbf (80 J)
Bolt Impact	Impact resistance at bolt	2 blows of 59 ft-lbf (80 J)

[1] For test methods see UBC Standard No. 41-1, Part A.
[2] Minimum projection of 1 In. (25 mm) for bolts and 1/2 In. (12 mm) for latches.
[3] Applies to outswinging doors only.
[4] Bolt of latch must remain in strike.
[5] Applies to key-in-knob locksets where the bolt and the latch are mechanically interconnected such that a single action projects or retracts both.
[6] Does not apply when the glazing starts at a distance of 36 In. (900 mm) or more from the lock.
Note: Lbf = pounds force.

Add new State Building Code Standards

STATE BUILDING CODE SBC 111 APPENDIX "D"
STATE BUILDING CODE STANDARD NO. 41-1

TESTS FOR SECURITY OF DOOR ASSEMBLIES

Part A — Swinging Doors

See Section 4105, State Building Code

Scope.

Section 41.1001. Part A of this Standard covers test methods for swinging door assemblies that are required for building security by the State Building Code.

The wall assembly described in Section 41.1005 is considered suitable for the scope of these methods of test. Wall construction different in dynamic response from that described in Section 41.1005 may require testing according to Section 41.1007(d).

Definitions.

Section 41.1002. Bolt is a metal bar which, when actuated, is projected (or "thrown") either horizontally or vertically into a retaining member, such as a strike plate, to prevent a door from moving or opening.

Bolt projection (or bolt throw) is the distance from the edge of the door, at the bolt center line, to the farthest point on the bolt in the projected position, when subjected to end pressure.

Component, as distinguished from a part, is a subassembly which combines with other components to make up a total door assembly. The prime components of a door assembly include: door, lock, hinges, jamb/wall, jamb/strike and wall.

Cylinder is the cylindrical subassembly of a lock containing the cylinder core, tumbler mechanism and the keyway. A double cylinder lock is one which has a key-actuated cylinder on both the exterior and interior of the door.

Cylinder core (or cylinder plug) is the central part of a cylinder containing the keyway, which is rotated by the key to operate the lock mechanism.

Deadbolt is a lock bolt which does not have a spring action as opposed to a latch bolt, which does. The deadbolt must be actuated by a key and/or knob or thumb turn and when projected becomes locked against return by end pressure.

Dead Latch (or Deadlocking Latch Bolt) is a spring-actuated latch bolt having a beveled end and incorporating a plunger which, when depressed, automatically lock the projected latch bolt against return by end pressure.

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Door Assembly is a unit composed of a group of parts or components which make up a closure for an opening to control passageway through a wall. For the purposes of this standard, a door assembly consists of the following parts: door; hinges; locking device or devices; operation contacts (such as handles, knobs, push plates); miscellaneous hardware and closers; the frame, including the head and jambs plus the anchorage devices to the surrounding wall and a portion of the surrounding wall extending 36 inches (900 mm) from each side of the jambs and 16 inches (400 mm) above the head.

Jamb is a vertical member of a door frame to which the door is secured.

Jamb/Strike is that components of a door assembly which receives and holds secure the extended lock bolt; the strike and jamb used together are considered a unit.

Jamb/Wall is that component of a door assembly to which a door is attached and secured; the wall and jamb, used together, are considered a unit.

Key-in-Knob is a lockset having the key cylinder and other lock mechanisms such as a push or turn button contained in the knobs.

Latch (or Latch Bolt) is a beveled, spring-actuated bolt, which may or may not have a deadlocking device.

Lock (or Lockset) is a keyed device (complete with cylinder, latch or deadbolt mechanism, and trim such as knobs, levers, thumb turns, escutcheons, etc.) for securing a door in a closed position against forced entry. For the purposes of this Standard, a lock does not include the strike plate.

Lock Front is the outer plate through which the locking bolt projects and which is usually flush with the edge of the door.

Part, as distinguished from component, is a unit (or subassembly) which combines with other units to make up a component.

Strike is a metal plate attached to, or mortised into, a door or door jamb to receive and to hold a projected latch bolt and/or deadbolt in order to secure the door to the jamb.

Swinging Door is a stile (side) hinged door.

Samples for Testing.

Section 41.1003. Specimens shall be representative and the construction shall be verified by assembly drawings and bill of materials. Complete manufacturer or fabricator installation instructions and full-size or accurate scale templates for all items or hardware shall be included.

Test Equipment Performance.

Section 41.1004.

(a) Door Ram. The door ram shall be a pendulum system with a cylindrical weight capable of delivering horizontal impacts of 59 ft-lbf (80 J). The striking end of the weight shall be hemispherical and have a diameter of approximately 6 inches (150 mm). The impact nose may be made of any durable impact resistant material such as epoxypolyamide resin.

(b) Component Ram. The component ram shall be a pendulum system capable of delivering horizontal impacts of 74 ft-lbf (100 J). The pendulum weight shall be cylindrical with a maximum diameter of 3 inches (7.6 cm) and a striking end consisting of a 1/4 inch (6 mm) carriage bolt, or equivalent.

(c) Vertical Impactor. The vertical impactor shall be a rigid pendulum system consisting of a weight with a flat rectangular striking surface capable of delivering downward impacts of 74 ft-lbf (100 J).

(d) Torque Applicator. The portable torque applicator shall be capable of delivering and measuring up to 18.5 lbf-ft (25 N-m) of torque to door knobs. The torque-loading adapter shall be designed to grip the knob.

(e) Tension-Loading Device. The tension-loading device shall be capable of delivering and measuring tensile forces of up to 290 lbf (1300 N).

(f) Compression-Loading Device. The compression-loading device shall be capable of delivering and measuring compressive forces of up to 150 lbf (670 N).

(g) Jamb-Spreading Device. The jamb-spreading device shall be capable of delivering to door jambs and measuring spreading forces of up to 1350 lbf (6000 N) with a means of measuring up to 1/2 inch (12 mm) of spread in the door opening. The device shall have on each end either a loading-bearing plate or pressure foot which provides a minimum contact surface of 1 1/2 by 5 inches (38 mm by 125 mm).

(h) Instrument Accuracy. All test monitoring equipment shall be calibrated to an accuracy of $\pm$ 5 percent. The impact energy of each pendulum system shall be controlled to within $\pm$ 1 percent.

(i) Manipulation Tools. Tools used for manipulation tests of this Standard shall consist of the following: a knife or spatula with a thin blade approximately 1/32

inch (0.8 mm) thick, not more than 1 inch (25 mm) wide and no longer than 6 inches (150 mm); slotted and phillips type screw drivers not exceeding 10 inches (250 mm) in length; common hand and needle nose pliers not exceeding 8 inches (200 mm) in length; and a piece of stiff steel wire with a diameter of approximately 1/16 inch (1.6 mm) and length of not in excess of 3 feet (900 mm).

Construction and Size.

Section 41.1005. The construction and size of the test door assemblies, consisting of single doors, doors in pairs, special-purpose doors (such as Dutch doors), jambs and headers, and all hardware components shall be representative of that for which acceptance is desired.

The test fixture of door, door jamb, hinge, lock strike and other components shall consist of a vertical wall section constructed from 2 by 4 wood studs, 16 inches (410 mm) on center with double studding around the rough openings and outer edges of the fixture. The test fixture shall be covered with 1/2-inch (12 mm) exterior grade plywood sheathing on the exterior and 1/2-inch (12 mm) gypsum board on the interior and shall be secured to a supporting fixture and to the laboratory floor such as to simulate the rigidity normally provided to a door assembly in a building by the ceiling, floor and walls.

An alternate test fixture for lockset components consisting of a small door assembly may be used. The frame shall be fabricated from steel angle and plate at least 3/16-inch (5 mm) thick. The test panel shall be 24 inches (600 mm) square and 1-3/4 inches (45 mm) thick, made by bonding three pieces of plywood together or by cutting a section from 1 3/4 inch (45 mm) solid wood core door. A 2 by 2 by 1/8-inch (50 by 50 by 3 — mm) steel angle shall be bolted to hinge edge of the door panel, and a removable steel strike plate shall be bolted to the frame at the lock position of the door panel.

The test fixture for static bolt load tests shall consist of a vertical panel fabricated from wood attached to a stable horizontal base. The top edge shall be about 1 3/4 inches (45 mm) thick and the top edge shall be prepared to permit the lockset which is being tested to be mounted in the panel in accordance with the manufacturer's instructions.

Mounting for Test.

Section 41.1006. Prepare doors and door jambs for the installation of locksets and hinges in conformance with the manufacturer's instructions. Follow the manufacturer's instructions for fastening the jamb to the test fixture described in Section 41.1005.

To test doors, door jambs, hinges, and jamb/strikes as components, install them in the component test fixture described in Section 41.1005. Except when testing hinges, hinge the door with one and one-half pair of 4 1/2 inch (115 mm) steel but hinges, and fix it in the closed-locked position (at the normal lock point) with a real or simulated latch bolt having sufficient strength and stiffness to prevent it from failing during test. In the absence of other construction specifications, make the clearances on the lock side, hinge side and top of the door 1/8 ± 1/64 (3.2 ± .04 mm). Clearance at the threshold is not considered critical in these tests.

To test locksets as components, install them in the alternate component test fixture described in Section 41.1005. Fix the test panel in the closed-locked position at the normal locking point. Hinge the test panel with two 4-1/2 inch (115 mm) steel butt hinges.

To test locksets for static bolt load, install them in the test fixture described in Section 41.1005.

Conduct of Tests.

Section 41.1007.

(a) Test Sequence. Perform tests in the same sequence as presented below, as appropriate for the item under test, using new components for each destructive test.

(b) Static Bolt Load Test. To test locks as components, mount the lock in the test fixture described in Section 41.1006. Lock the door lock with the deadbolt and dead latch in the fully projected position. If the lock incorporates a dead latch plunger, attach a 1/4-inch (6.5 mm) spacer to the lock front. Allow the dead latch plunger to project flush with the top of the spacer, and hold it in that position with a piece of tape or by other suitable means.

Place the test fixture and lock in a compression-testing machine, or mount it on a firm, level surface with the compression-loading device directly above it, the loading face parallel to the lock front, and the axis of the hydraulic ram perpendicular to the lock front. Apply an increasing compressive load to the end of the latch bolt or the deadbolt to the required resistance load and note the bolt or latch projection (the distance between the lock front surface to the farthest point on the bolt or latch at the center line). Such projection shall not be less than 1/4 inch (6.5 mm) while under load.

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To test for bolt projection, apply end pressure to the projected deadbolt or latch and measure the distance from the lock front surface to the farthest point on the bolt or latch at the center line.

Following the test of a lock incorporating a dead latch, place the strike plate over the latch of a dead latch to determine whether it is possible for both the dead latch and the dead latch plunger to enter the hole in the strike simultaneously.

(c) Hinge Pin Tensile Load. Drill a hole into the end of the exposed hinge pin with a No. 21 drill, centered on and aligned with the axis of the pin to a depth of 0.5 inch (12 mm). Tap the hole with a 10-32 tap and attach the tensile-loading adapter to it with a hardened cap screw. Clamp one leaf of the hinge in a vice so that the hinge pin is in the horizontal plane. Attach the tensile-loading device to a rigid load-bearing support in front of the hinge and align the pulling axis with the axis of the hinge pin. Attach the tensile-loading adapter to the tensile device and apply the required load.

(d) Jamb/wall Stiffness Test. Prepare the test specimen in accordance with Section 41.1006 using the full-size test fixture. Position the jamb-spreading device between the door jambs at lock height. Apply increasing force as required and measure the space between the lock front and strike.

While the required load is being applied, or the lock front-to-strike distance increased, push or pull on the door to determine whether the deadbolt or dead latch is engaged with the strike.

(e) Knob Torque Test. Prepare the test specimen in accordance with Section 41.1006 and lock the door or test panel in the closed position. Attach the torque-loading adaptor to the knob and connect the torque applicator to it. Alternately subject the knob to a torque of up to the required torque once in both the clockwise and counter-clockwise directions, applying the torque as rapidly as possible. Inspect the lock to determine whether the bolt is retracted from the strike when the torque is applied. If the knob is broken off, attempt to open the door or test panel by manipulating the lock mechanism by hand or with the aid of manipulation tools as described in Section 41.1004(i) (such lock mechanism shall resist manipulation for a period of not less than 5 minutes.)

With the door or test panel open, and the deadbolt or dead latch in the projected, locked position, attempt to (1) depress the deadbolt by applying hand pressure to its end or (2) depress latch and dead latch plunger fully, allow the latch to extend, then slowly allow the plunger to project until the last point of dead locking is reached.

(f) Cylinder Core Tension Test. Prepare the test specimen in accordance with Section 41.1006 and lock the door or test panel in the closed position. Using a No. 21 drill, drill a hole in the cylinder core adjacent to the keyway to a minimum depth of 1/2 inch (12 mm). Tap this hole with a 10-32 thread. Attach the tensile-loading device to a rigid load-bearing support in front of the cylinder and align the pulling axis with a 10-32 hardened cap screw fully threaded into the tapped hole. Connect the cylinder tensile-loading device to the adaptor and apply the required tensile force to the cylinder. Following this test, release the load and attempt to open the door or test panel by manipulating an exposed lock mechanism for a period of 5 minutes by hand or with the aid of manipulation tools as described in Section 41.1004(i). If the core or cylinder is not damaged, open the door and test the dead latch and deadbolt for end pressure resistance as in Section 41.1007(e).

(g) Knob Impact Test. Prepare the test specimen in accordance with Section 41.1006 and lock door or test panel in the closed position. Position the vertical impactor so that the pendulum arm is horizontal when the striking weight contacts the top of the door knob, and its center of gravity is in the vertical center-line through the knob. Raise the weight to the height necessary to deliver the required impact and release it. Deliver the required number of impacts to the knob. After each impact, attempt to open the door or test panel by turning the knob, and if the knob is broken off, by manipulating the exposed lock mechanism by hand or with the aid of manipulation tools as described in Section 41.1004(i). Such lock mechanism shall resist manipulation for a period of not less than 5 minutes. Open the door and test the dead latch and deadbolt for end pressure resistance as in Section 41.1007(e).

(h) Door Impact Test. Prepare the test specimen in accordance with Section 41.1006, using the full-size test fixture, and lock the door in the closed position. Set up the door ram pendulum weight so that its axis is horizontal, and perpendicular to the face of the door at a point defined by the intersection of the vertical center line of the door and a line of the door and a line from the center of the bolt to the center of the mid-height hinge (or the midpoint between hinges, when the door is hung with two hinges).

Attach to the door, centered on the impact point, a rigid foamed polystyrene impact buffer which has a diameter of 6 inches (150 mm), a thickness of 2 inches (50 mm) and a density of 2 lbs/ft^3 (32 Kg/m^3). Position the door ram such that its striking nose just touches the surface of the buffer when at rest. Pull back the pendulum weight to the height necessary to produce the required impact, and release it. Subject the door to two impacts at each required impact level, attaching a new buffer for each impact. If the door is forced open by the test, without damaging the jamb/strike or lock component, the door specimen fails the test. If the door

surface is broken, attempt to reach inside the door and unlock it from the inside.

If the door has one or more recessed panels, subject the one closest to the lock to two impacts at each required impact level. Locate the impact point on the corner of the panel closest to the lock, 3 inches (75 mm) in from the vertical and horizontal edges of the panel. Perform the test as described above, attaching a new impact buffer for each impact. If the panel is broken, attempt to open the door by reaching through the opening and unlocking the door from the inside.

To test glazing panels, set up the component ram pendulum weight so that, at rest, its striking nose just touches the front surface at a point located along a line from the center of the inside lock activating device through the closest point on the perimeter of the glazing panel, which is within 36 inches (900 mm), and just far enough onto the panel to ensure that the impactor clears the edge of the door and the panel. Pull back the pendulum weight to the height necessary to produce the required impact and release it. If the panel is broken, reach through the opening and attempt to open the door by unlocking it from the inside.

Following the door impact test, inspect the door to determine whether there is enough damage to invalidate the subsequent tests; if there is, replace it.

(i) Hinge Impact Test. Prepare the test specimen in accordance with Section 41.1006 using the full-size test fixture and lock the door in a closed position. When testing hinges incorporating a mechanical interlock between the leaves in the closed position and door assemblies using such hinges, remove the hinge pin during this test. Set up the door ram pendulum weight so that its axis is horizontal, and perpendicular to the exterior face of the door at a point 8 inches (200 mm) from the bottom hinge on a horizontal line through the midpoint of the hinge.

Attach an impact buffer as described in section 41.1007(h) to the face of the door, centered on the impact point, and position the pendulum so that its striking nose just touches the surface of the buffer when at rest. Pull back the pendulum weight to the height necessary to produce the required impact and release it. Subject the door to two impacts at each required impact level, attaching a new buffer for each impact. After each impact, try to open the door.

A door component failure consists of any splitting or fracture of the door which allows it to be opened; a jamb component failure consists of any splitting, fracture or pullout of the attachment screws which allows the door to be opened; a hinge component failure consists of any damage to the leaves or pin of the hinge which allows the door to be opened.

Following the hinge impact test, inspect the components to determine whether there is sufficient damage to invalidate the subsequent test; if there is, replace those damaged.

(j) Bolt Impact Test. Prepare the test specimen in accordance with Section 41.1006 and lock the door in the closed position. Set up the door ram pendulum weight so that its axis is horizontal, and perpendicular to the face of the door at a point defined by the intersection of a vertical line 8 inches (200 mm) from the lock edge, and a line from the center of the bolt to the center of mid-height hinge (or the midpoint between hinges when the door is hung with two hinges).

Attach an impact buffer as described in Section 41.1007(h) to the face of the door, centered on the impact point, and position the pendulum so that it just touches the surface of the buffer when at rest. Pull back the pendulum weight to the height necessary to produce the required impact and release it. Subject the door to two impacts at each required impact level, attaching a new buffer for each impact. After each impact, try to open the door or test panel by turning the knob, and test the deadbolt and dead latch for end pressure resistance as in section 41.1007(e).

Acceptance Criteria.

Section 41.1008.

(a) General. An item shall fail a test if an individual can open the door from the outside by pushing or pulling on it, by turning the knob, by manipulating an exposed lock mechanism, by reaching through damaged portions of the door and unlocking it from the inside; or can enter through damaged portions of the door even though it might not be possible to open the door; or if the dead latch or deadbolt can be depressed by a static load applied by hand after being subjected to the levels of energy set forth in the Uniform Building Code.

A jamb/strike component failure consists of a pullout or fracture of the strike attachment screws or any splitting, bending or fracture of the door jamb at the strike which permits the door to be opened; a door component

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failure consists of any splitting or fracture of the door which allows it to be opened; a lock component failure consists of any damage to the lock mechanism or bolt which allows the door to be opened after being subjected to the levels of energy set forth in the Uniform Building Code.

(b) Disassembly. Door assemblies and components shall incorporate no screw, bolt, nail, staple or other mechanical fastener which is accessible from the outside and which could be removed by hand or with the aid of manipulation tools as described in Section 41.1004(i) within a period of 5 minutes thus permitting entry by disassembly.

(c) Strike Hole Size. For locks incorporating dead latches, the size of the latch retaining hole in the strike shall be such that it shall not be possible for both the dead latch and dead latch plunger to enter the hole together when the latch is fully extended.

(d) Bolt Pressure Resistance. When locks are tested, the force required to depress the latch or deadbolt from the locked and projected position shall not be less than specified in the Uniform Building Code.

Report.

Section 41.1009. The test report shall include:

(a) Name and Address of the facility or laboratory performing these tests and issuing the report as well as the dates of testing and issuance of the report.

(b) Identification of the sample tests (e.g., name of manufacturer, model and/or series number of product and other information as may be pertinent).

(c) Final assembly drawing(s) and components list relative to type, size, location and number of anchors, locking devices and mounting screws used.

(d) Statement indicating that specimen either passed or failed these tests.

(e) Statement that all tests were conducted in accordance with these procedures.

Part B — Horizontal Sliding Doors

See Section 4106, State Building Code.

Scope.

Section 41.1011. Part B of this Standard covers test methods for sliding door assemblies that are required for building security by the Uniform Building Code.

Test Equipment.

Section 41.1012. Four tension-loading devices capable of delivering and measuring tensile forces of up to 300 lbf (1340 N) with an accuracy of +5 percent for each applied load level are required for these tests.

Manipulation tools shall consist of: a knife or spatula with a thin blade approximately 1/32-inch (0.8 mm) thick, not more than 1 inch (25 mm) wide and no longer than 6 inches (150 mm); slotted and phillips type screw drivers not exceeding 10 inches (250 mm) in length; common hand and needle nose pliers not exceeding 8 inches (200 mm) in length; and a piece of stiff steel wire with a diameter of approximately 1/16-inch (1.6 mm) and a length of not in excess of 3 feet (900 mm).

Disassembly.

Section 41.1013. Door assemblies and components shall incorporate screw, bolt, nail, staple or other mechanical fastener which is accessible from the outside and which could be removed by hand or with the aid of manipulation tools as described in Section 41.1012 within a period of 5 minutes thus permitting entry by disassembly.

Samples for Testing.

Section 41.1014. Specimens shall be representative, and the construction shall be verified by assembly drawings and bill of materials. Complete manufacturer or fabricator installation instructions and full-size or accurate scale templates for all items and hardware shall be included.

Construction and Size.

Section 41.1015. The construction and size of the test door assemblies, jambs and headers, and all hardware components shall be representative of that for which acceptance is desired.

The door assembly and mounting in the support fixture shall simulate the rigidity normally provided to a door assembly in a building by the ceiling, floor and walls.

Tests.

Section 41.1016. Sample doors submitted for testing shall be glazed. Panels shall be closed and locked. Holes may be drilled at convenient locations on the assembly to attach load adapter brackets and the glazing may be taped to prevent possible injury from shattering under load. Loads may be applied from either the interior or exterior side of the door.

Prior to testing, remove from the sliding door assembly all mechanical fasteners which can be removed from the

exterior by hand or with the aid of manipulation tools, as described in Section 41.1012, within a period of 5 minutes.

Tests shall be performed in the following order:

Test I. With the panels in the normal position, a concentrated load of 300 pounds (1340 N) shall be applied separately to each vertical stile incorporating a locking device, at a point on the stile within 6 inches (150 mm) of the locking device, in the direction parallel to the plane of the glass that would tend to open the door. Remove the load and determine if the locking device can be unlocked by manipulation as described in Test VIII.

Test II. With panels in the normal position, a concentrated load of 300 pounds (1340 N) shall be applied separately to each vertical pull stile incorporating a locking device, at a point on the stile within 6 inches (150 mm) of the locking device, in the direction parallel to the plane of the glass that would tend to open the door while, simultaneously, an additional concentrated load of 150 pounds (670 N) is applied to the same area of the same stile in a direction perpendicular to the plane of glass toward the interior side of the building. Remove the load and determine if the locking device can be unlocked by manipulation as described in Test VIII.

Test III. With the panels in the normal position, a concentrated load of 300 pounds (1340 N) shall be applied separately to each vertical pull stile incorporating a locking device, at a point on the stile within 6 inches (150 mm) of the locking device, in the direction parallel to the plan of the glass that would tend to open the door while, simultaneously, an additional concentrated load of 150 pound (670 N) is applied to the same area of the same stile in the direction perpendicular to the plane of the glass toward the exterior side of the door. Remove the load and determine if the locking device can be unlocked by manipulation as described in Test VIII.

Test IV. With the movable panel lifted upward to its full limit within the confines of the door frame (a force of 150 pounds [670 N], plus the weight of the panel, shall be divided equally and applied to the bottom rail within 6 inches (150 mm) of the corners to move panels upward), a concentrated load of 300 pounds (1340 N) shall be applied separately to each vertical pull stile incorporating a locking device, at a point on the stile within 6 inches (150 mm) of the locking device, in the direction parallel to the plane of the glass that would tend to open the door. With the loads applied, determine if the locking device can be unlocked by manipulation as described in Test VIII.

Test V. With the movable panel lifted upward to its full limit within the confines of the door frame as described in Test IV, a concentrated load of 300 pounds (1340 N) shall be applied separately to each vertical pull stile incorporating a locking device, at a point on the stile within 6 inches (150 mm) of the locking device, in the direction parallel to the plane of the glass that would tend to open the door while, simultaneously, and additional concentrated load of 150 pounds (670 N) is applied to the same area of the same stile in the direction perpendicular to the plane of the glass toward the interior side of the door. With the loads applied, determine if the locking device can be unlocked by manipulation as described in Test VIII.

Test VI. With the movable panel lifted upward to its full limit within the confines of the door panel as described in Test IV, a concentrated load of 300 pounds (1340 N) shall be applied separately to each vertical stile incorporating a locking device, at a point on the stile within 6 inches (150 mm) of the locking device, in the direction parallel to the plane of the glass that would tend to open the door while, simultaneously, and additional concentrated load of 150 pounds (670 N) is applied to the same area of the same stile in the direction perpendicular to the plane of the glass toward the exterior side of the door. With the loads applied, determine if the locking device can be unlocked by manipulation as described in Test VIII.

Test VII. For inside sliding doors, repeat Test V while simultaneously applying a concentrated load of 50 pounds (220 N) at the end of the movable bottom rail near the interlock stiles and inward. For outside sliding doors, repeat Test VI while simultaneously applying a concentrated load of 50 pounds (220 N) at the end of the movable bottom rail near the interlock stiles and outward.

Test VIII. Examine the assembly and determine a method and position for inserting a tool through the door assembly from the outside so as to contact the locking device or the latch. Determine whether it is possible to insert or manipulate with any of the manipulation tools described in Section 41.1012 so as to unlock the door. Such assemblies shall resist manipulation for a period of not less than 5 minutes.

Test IX. Repeat Tests I, II and III for fixed panels locating the load point at the midpoint of the stile opposite the meeting stile of the panel under test.

Performance Requirements

Section 41.1017. A sliding door assembly shall fail these

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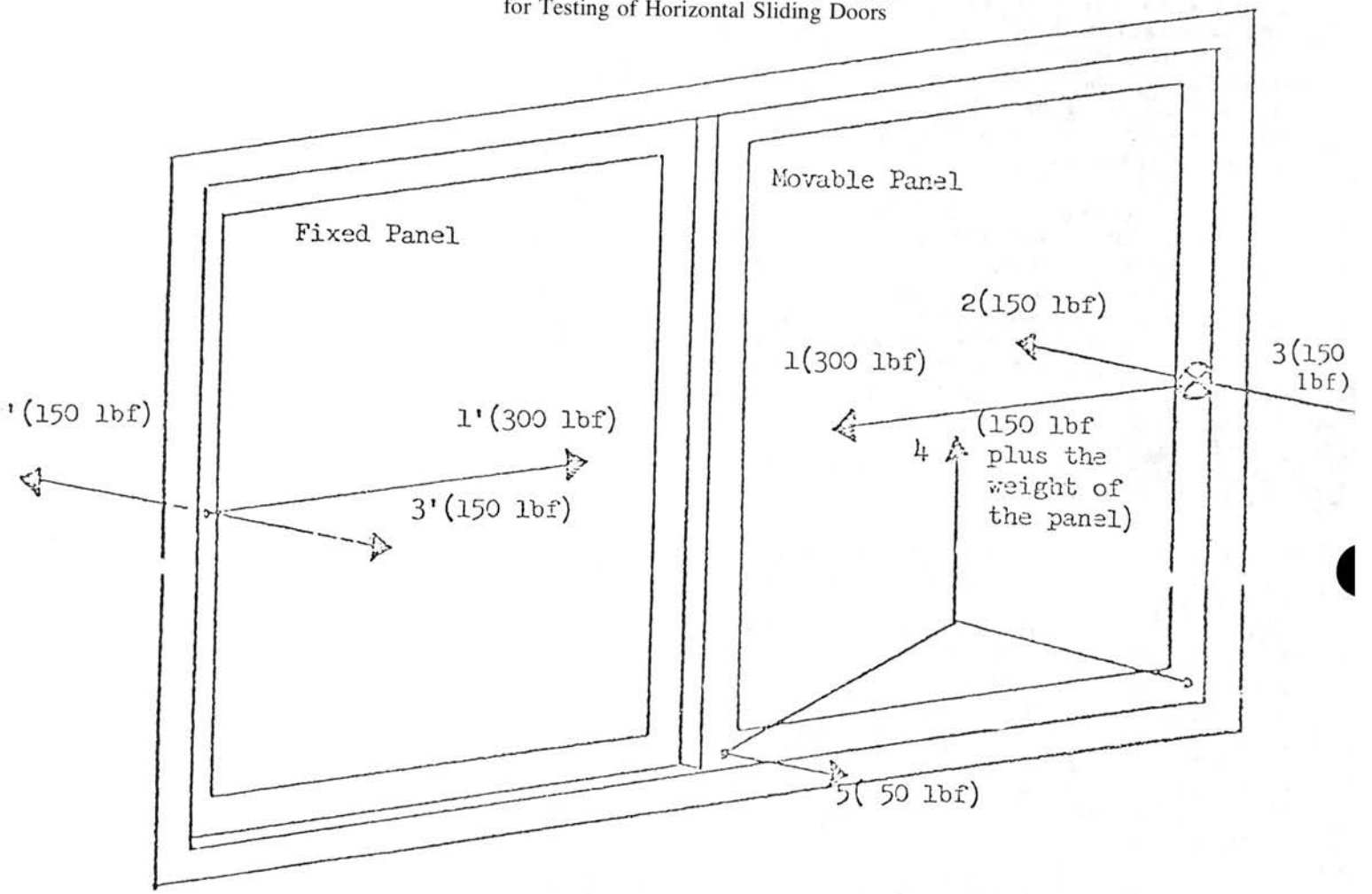
tests if at any time during or after the test the sliding door assembly does not remain engaged, intact and in the closed and locked position; or if one can enter by manipulating an exposed component or through displaced or damaged portions.

Report

Section 41.1018. See Section 41.1009.

Directions and Points of Load Application
for Testing of Horizontal Sliding Doors



Movable and Fixed Panel Tests:

Test I	Apply load 1
Test II	Apply loads 1 & 2
Test III	Apply loads ' & 3
Test IV	Apply loads 4 & 1
Test V	Apply loads 4, 1 & 2
Test VI	Apply loads 4, 1 & 3
Test VII	Apply loads 4, 1, 3, & 5
Test VIII	Manipulation Described
Test IX	For fixed panels repeat Tests I, II & III with the load point at the midpoint of the stile opposite the meeting stile of the door panel being tested.

FIGURE 1

State Building Code SBC 111 Appendix "D"
State Building Code Standard 41-2
Tests for Security of Window Assemblies

See Section 4107, State Building Code

Scope

Section 41.2001. This Standard covers test methods for window assemblies that are required for building security by the Uniform Building Code. For the purpose of this Standard, windows are classified as follows: Type A window assemblies incorporate one or more sashes that open by sliding in the plane of the wall in which the window is installed.

Type B window assemblies incorporate one or more framed sashes which are hinged at or near two corners of the individual sash and open toward the exterior of the wall.

Type C are window assemblies which incorporate one or more sashes which open toward the interior and are hinged at or near two corners of the sash.

Type D are window assemblies which incorporate one or more sashes which are hinged or pivot near the center so that part of the sash opens into the interior wall and part opens toward the exterior.

Definitions.

Section 41.2002. JAMB — See WINDOW FRAME.

Locking Device is a part of a window assembly which is intended to prevent movement of the movable sash, which may be the sash lock or sash operator.

Mullion is a window frame member which meets with and provides structural support to a pair of adjacent sashes at their meeting edges.

Muntin is a structural member of a sash which extends either horizontally between the stiles or vertically between the rails to support individual panes of glazing material when the sash incorporates two or more panes.

Rail is a horizontal member of a sash frame. A meeting rail is one which mates with a rail of another sash or a framing member of the window frame when the sash is in the closed position.

Sash is an assembly of stiles, rails and, sometimes, muntins assembled into a single frame which supports the glazing material. A fixed sash is one which is not intended to be opened. A movable sash is intended to be opened.

Sill is the lowest horizontal member of a window frame.

Stile is a vertical framing member of a sash. A meeting stile is one which mates with a stile of another sash, or a vertical framing member of the window frame when the sash is in the closed position.

Window Assembly is a unit which includes a window and the anchorage between the window and the wall.

Window Frame is that part of a window which surrounds and supports the sashes and is attached to the surrounding wall. The members include side jambs (vertical), head jamb (upper, horizontal), sill and mullions.

Test Equipment.

Section 41.2003. Four tension-loading devices capable of delivering and measuring tensile forces of up to 150 lbf (670 N) with an accuracy of ±5 percent for each applied load level are required for these tests.

Manipulation tools shall consist of: a knife or spatula with a thin blade approximately 1/32 inch (0.8 mm) thick, not more than 1 inch (25 mm) wide and no longer than 6 inches (150 mm); slotted and phillips type screw drivers not exceeding 10 inches (250 mm) in length; common hand and needle nose pliers not exceeding 8 inches (200 mm) in length; and a piece of stiff steel wire with a diameter of approximately 1/16 inch (1.6 mm) and length of not in excess of 3 feet (900 mm).

Disassembly.

Section 41.2004. Window assemblies and components shall not include screws, bolts, nails, staples or other mechanical fasteners which are accessible from the exterior and which could be removed by hand or with the aid of manipulation tools as described in Section 41.2003 within a period of 5 minutes thus permitting entry by disassembly.

Samples for Testing.

Section 41.2005. Specimens shall be representative, and the construction shall be verified by assembly drawings and bill of materials. Complete manufacturer or fabricator installation instructions and full size or accurate scale templates for all items and hardware shall be included.

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Sample Preparation.

Section 41.2006. Following the manufacturer's installation instructions, install the window assembly in a rigid test fixture which simulates the rigidity normally provided to a window assembly in a building. The unit shall be fully glazed. Holes may be drilled in the sash at convenient locations to attach load adapter brackets and the glazing may be taped to prevent possible injury from shattering under load. Loads may be applied from either the interior or exterior side of the window.

Before performing any test, remove from the window assembly all screws, bolts, hing pins, rigid snap glazing beads or other mechanical fasteners which can be removed from the exterior by hand or with the aid of manipulation tools as described in Section 41.2003. Sashes shall be closed and locked.

Tests for Sliding Windows.

Section 41.2007. Tests for Type A window assemblies shall be performed in the following order:

Test I. With each sliding sash in the normal position, a concentrated load of 150 pounds (670 N) shall be applied separately to each sash member incorporating a locking device, at a point on a sash member within 6 inches (150 mm) of the locking device, in a direction parallel to the plane of the glass that would tend to open the window. Remove the load and apply the manipulation test described in Section 41.2010.

Test II. With each sliding sash in the normal position, a concentrated load of 150 pounds (670 N) shall be applied separately to each sash member incorporating a locking device, at a point on a sash member within 6 inches (160 mm) of the locking device, in the direction parallel to the plane of the glass that would tend to open the window while, simultaneously, an additional concentrated load of 75 pounds (340 N) is applied in the same area of the same sash member in the direction perpendicular to the plane of the glass toward the interior side of the window. Remove the load and apply the manipulation test described in Section 41.2010.

Test III. With each sliding sash in the normal position, a concentrated load of 150 pounds (670 N) shall be applied separately to each sash member incorporating a locking device, at a point on the sash member within 6 inches (150 mm) of the locking device, in a direction parallel to the plane of the glass that would tend to open the window while, simultaneously, an additional concentrated load of 75 pounds (340 N) is applied to the same sash member in a direction perpendicular to the plane of the glass toward the exterior side of the window. Remove the load and apply the manipulation test described in Section 41.2010.

Test IV. For horizontal sliding windows, move the sliding sash upward by applying a force of 75 pounds, plus the weight of the sash, divided equally between the lower corners of the sash. For vertical sliding or hung type windows, move the sash toward the side offering the least resistance by applying a force of 75 pounds (340 N) to the side corners opposite the frame member towards which the window is being moved. Simultaneously, apply a concentrated load of 150 pounds (670 N) to each sash member incorporating a locking device, at a point on the sash within 6 inches (150 mm) of the locking device, in the direction parallel to the plane of the glass that would tend to open the window. With the assembly under load, apply the manipulation test described in Section 41.2010.

Test V. With the sliding sash moved upward (for horizontal sliding windows) or to the side (for vertical or hung-type windows) within the confines of the window frame as described in Test IV, a concentrated load of 150 pounds (670 N) shall be applied separately to each sash member incorporating a locking device, at a point on the sash within 6 inches (150 mm) of the locking device, in a direction parallel to the plane of the glass that would tend to open the window while, simultaneously, an additional concentrated load of 75 pounds (340 N) is applied to the same area of the same sash in the direction perpendicular to the plane of the glass toward the interior side of the window. With the assembly under load, apply the manipulation test described in Section 41.2010.

Test VI. With the sliding sash moved upward (for horizontal sliding windows) or to the side (for vertical sliding or hung-type windows) within the confines of the window frame as described in Test IV, a concentrated load of 150 pounds (670 N) shall be applied separately to each sash member incorporating a locking device, at a point on the sash member within 6 inches (150 mm) of the locking device, in the direction parallel to the plane of the glass that would tend to open the window while, simultaneously, an additional concentrated load of 75 pounds (340 N) is applied to the same sash member in the direction perpendicular to the plane of the glass toward the exterior side of the window. With the assembly under load, apply the manipulation test described in Section 41.2010.

Test VII. For inside sliding windows, repeat Test V while simultaneously applying a concentrated load of 25 pounds (110 N) at the end of the movable sash member located opposite the frame member toward which the sash is either moved or lifted and near the corner which is furthest from the locking device; such load shall be applied perpendicular to the sash and toward the interior. For outside sliding windows, repeat Test VI while simultaneously applying a concentrated load of 25 pounds (110 N) located in the same manner as for inside sliding windows, but applied in the opposite direction or toward the exterior.

Test VIII. Repeat Tests I, II and III for fixed sashes, which are part of a Type A window assembly, locating the load point at the midpoint of the stile or rail opposite the meeting stile or rail of the sash under test.

Tests for Hinged Window Assemblies.

Section 41.2008. Tests for Types B and C window assemblies shall be performed in the following order:

The manipulation test described in Section 41.2010 shall be applied after Tests I and II while the sash is under load and after Text IV with the loads removed.

Test I. With the swinging sash in the normal position, simultaneously apply a concentrated load of 75 pounds (340 N) within 3 inches (75 mm) of each end of the rail or stile which is opposite the hinged side, in the direction perpendicular to the plane of the glass that would tend to open the window.

Test II. Repeat Test I and simultaneously apply a load of 75 pounds (340 N) on the outside within 1 inch (25 mm) of each end of the stile or rail which is opposite the hinge side, in a direction parallel to the plane of the glazing which would tend to disengage the lock. Remove the loads.

Test III. With the swinging sash in the normal position, apply a concentrated load of 150 pounds (670 N) on the rail or stile containing the locking device within 6 inches (150 mm) of the lock in a direction perpendicular to the place of the glass that would tend to open the window.

Test IV. Repeat Test III and simultaneously apply a load of 75 pounds (340 N) on the outside within 1 inch (25 mm) of each end of the stile or rail which is opposite the hinge side, in a direction parallel to the plane of the glazing which would tend to disengage the lock.

Tests for Pivoted Window Assemblies.

Section 41.2009. Tests for Type D window assemblies shall be performed in the following order:

The manipulation test described in Section 41.2010 shall be applied after Tests I and II while the sash is under load and after Test IV with the loads removed.

Sec. 41.2009. Tests for Type D window assemblies shall be performed in the following order:

The manipulation test described in Section 41.2010 shall be applied after Tests I and II while the sash is under load and after Tests III and IV with the loads removed.

Test I. With the sash in the normal position, simultaneously apply a concentrated load of 37.5 pounds (170 N) within 3 inches (75 mm) of both ends of each rail or stile which is perpendicular to the pivot sides in the direction that would tend to open the sash. Remove the loads.

Test II. With the sash in the normal position, apply a concentrated load of 75 pounds (340 N) on a rail or stile containing a pivot within 1 inch (25 mm) of the pivot in a direction parallel to the pivots tending to disengage the pivot under test.

Test III. Repeat Test II, applying the load to the opposite rail or stile. Remove the load.

Test IV. With the sash in the normal position, apply a concentrated load of 150 pounds (670 N) on the rail or stile containing the locking device within 6 inches (75 mm) of the lock in a direction perpendicular to the sash and tending to open the window.

Test V. Repeat Test IV while simultaneously applying the load specified in Test II. Repeat Test IV while simultaneously applying the load specified in Test III above.

Manipulation of Locking Device.

Section 41.2010. Examine the assembly and determine a method and position of insertion of a tool through the window assembly from the outside so as to contact the locking device. Determine whether it is possible to insert any of the manipulation tools as described in Section 41.2003 and manipulate with them so as to unlock the window. Such window assemblies shall resist manipulation for a period of not less than 5 minutes.

Performance Requirements.

Section 41.2011. A window assembly shall fail these tests if at any time during or after the tests the assembly does not remain engaged, intact and in the closed and lock position such as to preclude human entry.

Report.

Section 41.2012. The test report shall include:

(a) Name and address of the facility or labora-

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tory performing these tests and issuing the report as well as the dates of testing and issuance of the report.

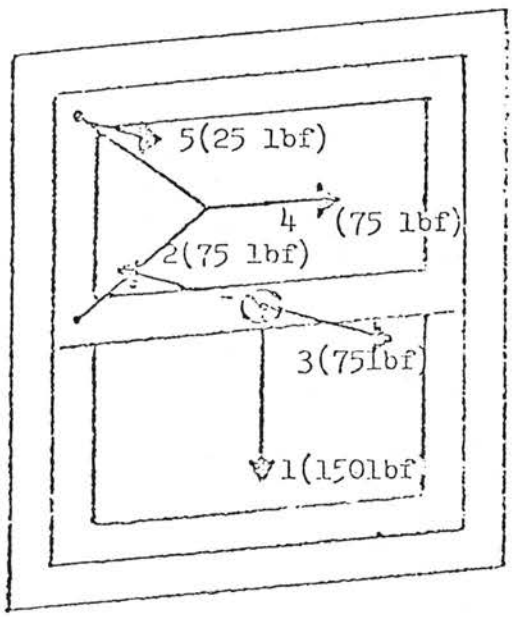
(b) Identification of the sample tested (e.g., name of manufacturer, model and/or series number of product and other information as may be pertinent).

(c) Final assembly drawing(s) components list relative to type, size, location and number of anchors, locking devices and mounting screws used.

(d) Statement indicating that specimen either passed or failed these tests.

(e) Statement that all tests were conducted in accordance with these procedures.

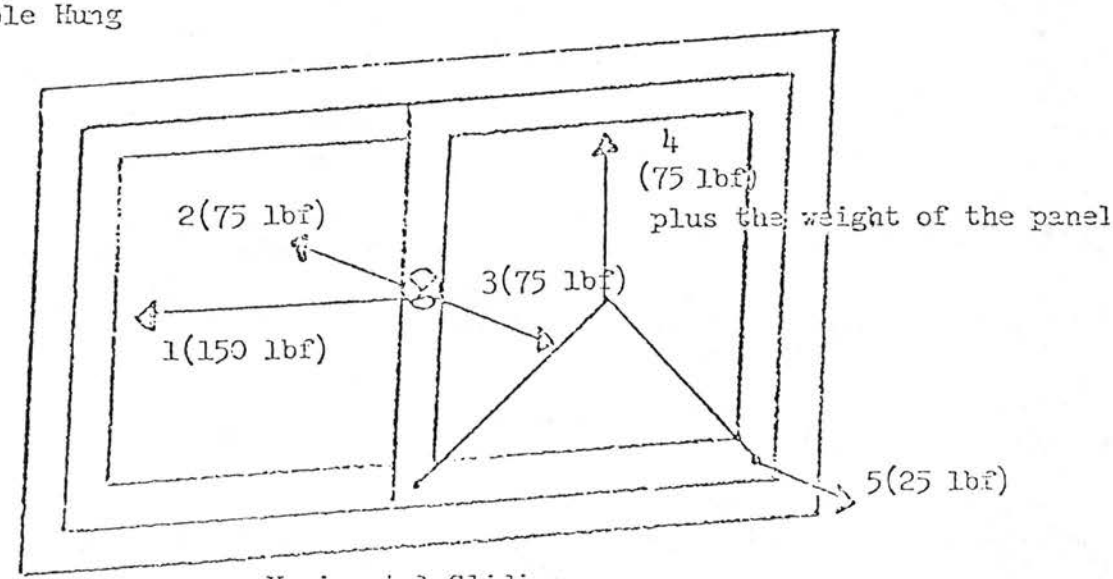
Directions and Points of Load Application
for Testing of Type A Windows



Double Hung

Sliding Sash Tests:

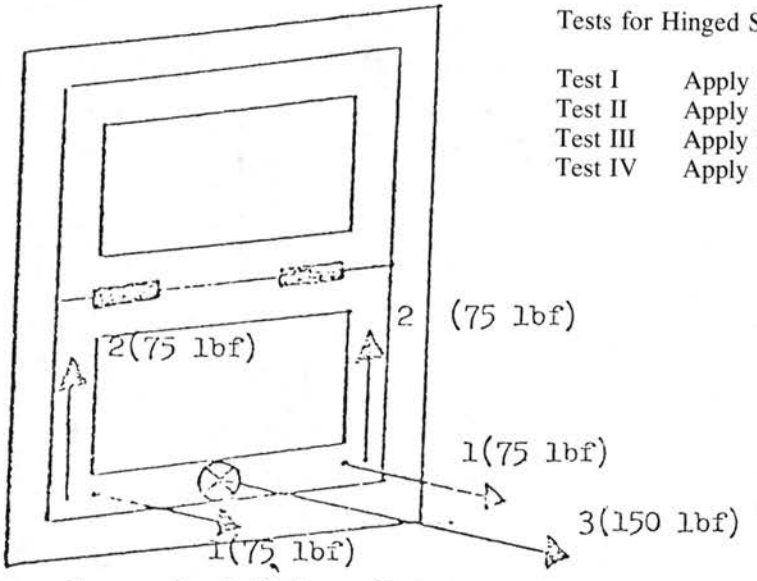
Test I	Apply load 1
Test II	Apply loads 1 & 2
Test III	Apply loads 1 & 3
Test IV	Apply loads 4 & 1
Test V	Apply loads 4, 1 & 2
Test VI	Apply loads 4, 1 & 3
Test VII	Apply loads 4, 1, 3 & 5
Test VIII	For fixed sashes locate the load point at the midpoint of the stile or rail opposite the meeting stile or rail of the sash under test and apply loads as described in Tests I, II & III.



Horizontal Sliding

FIGURE 2

Directions and Points of Load Application
for Testing of Types B and C Windows



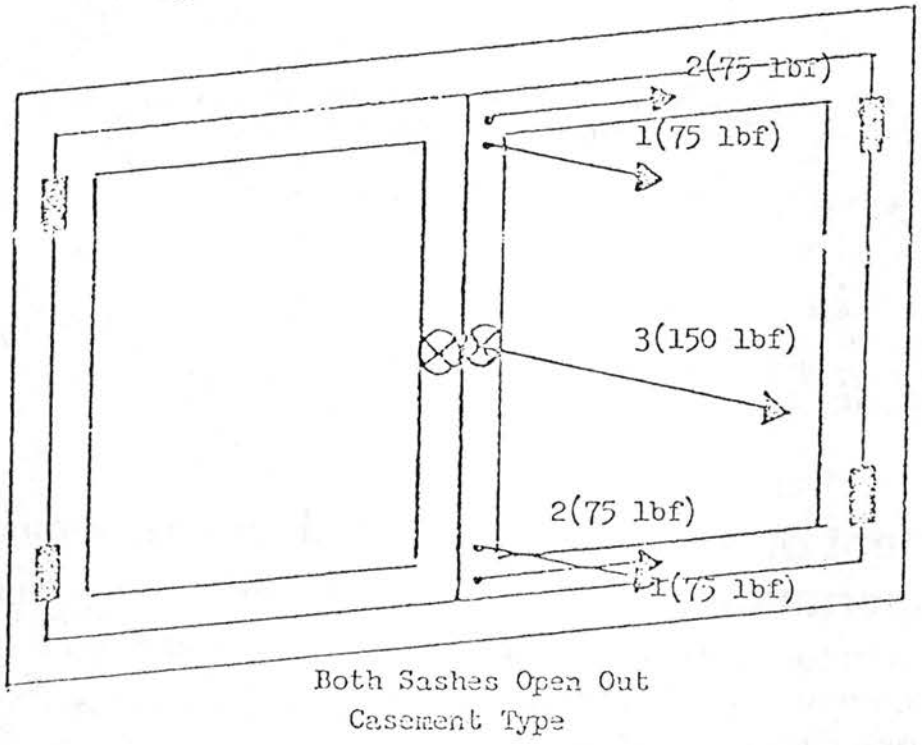


FIGURE 3

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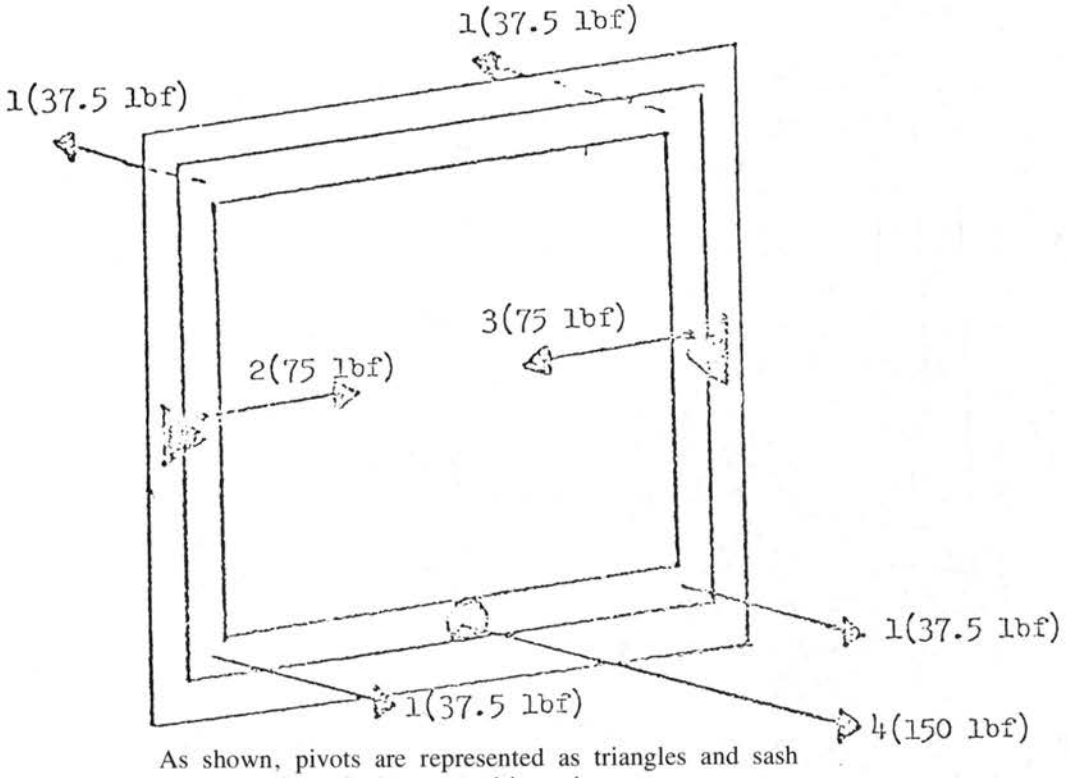
Directions and Points of Load Application
for Testing of Type D Windows



As shown, pivots are represented as triangles and sash pivots out from the bottom and in at the top.

Pivoting Sash Tests:

Test I	Apply load 1's
Test II	Apply load 2
Test III	Apply load 3
Test IV	Apply load 4
Test V	Apply loads 4 & 2, then remove load 2 and apply loads 4 & 3

Department of Transportation

Adopted Temporary Rules Relating to Implementation of the Rail User Loan Guarantee Program

The rules published at *State Register*, Volume 3, Number 7, pp. 267-270, August 21, 1978 (3 S.R. 267) as proposed temporary rules were approved by the Attorney General and adopted as of October 2, 1978 and are identical to the proposed form.

Order Adopting Temporary Rules

Laws of Minnesota 1978, chapter 667, § 7 permits the Commissioner of Transportation to establish temporary rules relating to the rail user loan guarantee program to aid rail users in obtaining credit for participation in contracts for rail line rehabilitation when applied for.

Section 7 of the Act provides that the temporary rulemaking authority of the Commissioner shall be effective until permanent rules are adopted pursuant to Minn. Stat. ch. 15 or until October 15, 1979, whichever occurs first.

Notice has been given that the Department requested in-

formation and comments concerning the subject matter of the proposed rules (3 S.R. 143), and has considered all available evidence and applicable statutory standards or criteria, and has confirmed the need for the above captioned temporary rules and the reasonableness thereof.

Now, therefore, it is ordered that these temporary rules identified as temporary Rules of the Department of Transportation Relating to Implementation of the Rail User Loan Guarantee Program are adopted this 2nd day of October, 1978, pursuant to authority vested in me by Minnesota Statutes, Chapters 15 and 222, as amended.

October 3, 1978

Jim Harrington
Commissioner of Transportation

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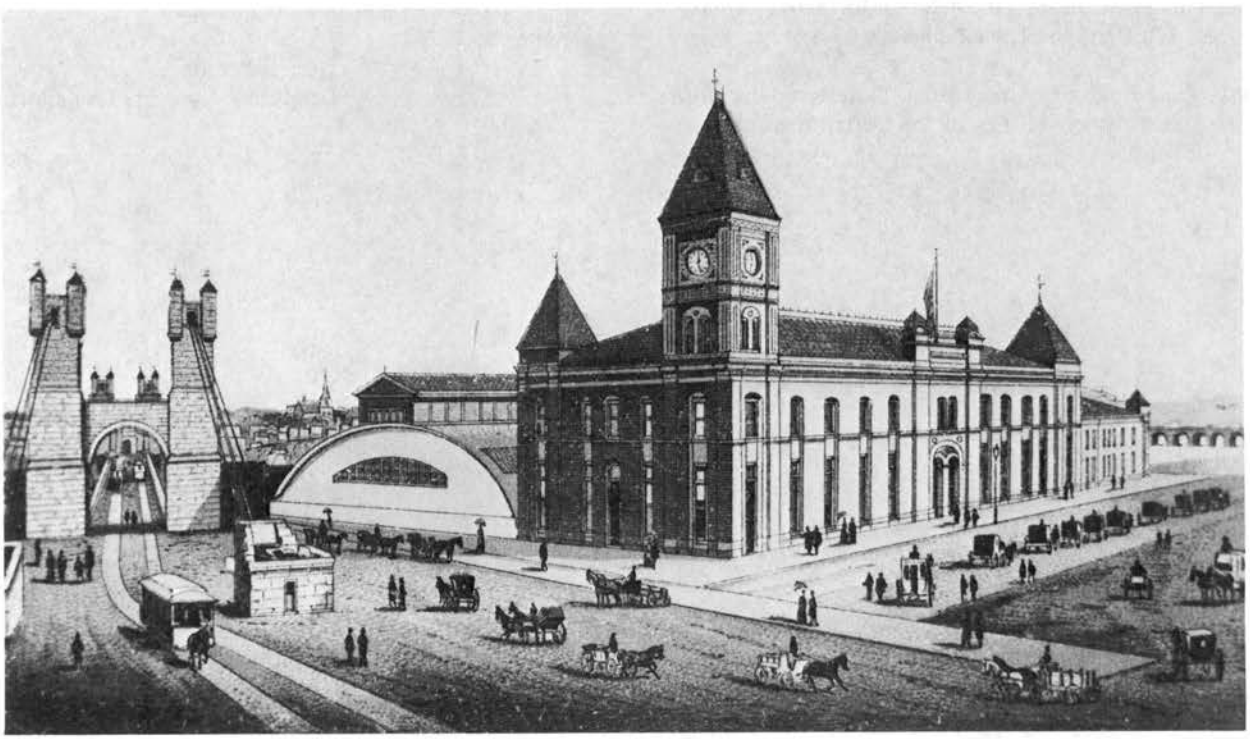
PROPOSED RULES



The Union Depot in Minneapolis was built in 1885, and was demolished when the now obsolete Great Northern Station was built in 1914. It stood at the southeast corner of Hennepin and Washington avenues. The depot was a passenger station of Minneapolis Union Railway Company, which was later acquired by Great Northern Railways. That line became Burlington Northern Inc. in 1970. (Minnesota Historical Society)

Pursuant to Minn. Stat. § 15.0412, subd. 4, agencies must hold public hearings on proposed new rules and/or proposed amendment of existing rules. Notice of intent to hold a hearing must be published in the *State Register* at least 30 days prior to the date set for the hearing, along with the full text of the proposed new or amended rule. The agency shall make at least one free copy of a proposed rule available to any person requesting it.

Pursuant to Minn. Stat. § 15.0412, subd. 5, when a statute, federal law or court order to adopt, suspend or repeal a rule does not allow time for the usual rulemaking process, temporary rules may be proposed. Proposed temporary rules are published in the *State Register*, and for at least 20 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Administration Telecommunications Division

Proposed Rules Governing Minimum Standards and Administration of Minnesota 911 Emergency Telephone Service

Notice of Hearing

Notice is hereby given that a public hearing in the above entitled matter will be held in the Auditorium Hearing

Room, Room Number 83, State Office Building, St. Paul, Minnesota, on November 27, 1978, commencing at 9:00 a.m. and continuing until all persons have had an opportunity to be heard.

All interested or affected persons will have an opportunity to participate. Statements may be made orally and written materials may be submitted to Steve Mihalchick, Hearing Examiner, Room 300, 1745 University Avenue, St. Paul, Minnesota 55104, (612) 296-8112, either before the hearing or five (5) working days after the hearing ends, or for a longer period not to exceed twenty (20) calendar days if ordered by the Hearing Examiner.

The proposed rules set standards for 911 Emergency Telephone Service, establish administrative procedures and define system eligibility for payment by the state in accordance with Minn. Stat. §§ 403.01-403.11. The agency's authority to promulgate the proposed rules is contained in Minn. Stat. § 403.07.

A copy of the proposed rules is enclosed. Additional copies may be obtained by writing to the Department of Administration, Telecommunications Division, G-4 State Administration Building, 50 Sherburne Avenue, St. Paul, Minnesota 55155, and will be available at the hearing room entrance on the date of the hearing.

Please be advised that Minn. Stat. § 10A.03 requires each lobbyist to register with the Ethical Practices Board within five (5) days after he/she commences lobbying.

"Lobbyist" means any individual:

A. Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250, not including his/her own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

B. Spends more than $250, not including his/her own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

"Lobbyist" does not include any:

A. Public official or employee of the state or any of its political subdivisions or public bodies acting in his/her official capacity;

B. Party or his/her representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

C. Individual while engaged in selling goods or services to be paid for by public funds;

D. News media or their employees or agents while engaged in the publishing or broadcasting of news items, editorial comments or paid advertisements which directly or indirectly urge official action;

E. Paid expert witness whose testimony is requested by the body before which he/she is appearing, but only to the extent of preparing or delivering testimony; or

F. Stockholder of a family farm corporation, as defined in Minn. Stat. § 500.24, subd. 1, who does not spend over $250, excluding his/her own travel expenses, in any year in communicating with public officials.

Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, Phone (612) 296-5615.

Notice: Any person may request notification of the date on which the Hearing Examiner's report will be available, after which date the agency may not take any final action on the rules for a period of five (5) working days. Any person may request notification of the date on which the hearing record has been submitted, or resubmitted, to the Attorney General by the agency. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Hearing Examiner (in the case of the Hearing Examiner's report), or to the agency (in the case of the agency's submission or resubmission to the Attorney General).

Notice is hereby given that twenty-five (25) days prior to the hearing, a Statement of Need and Reasonableness will be available for review at the agency and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the agency at the hearing justifying both the need for, and the reasonableness of, the proposed rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

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Pursuant to Minn. Stat. § 15.0412, subd. 7, notice is hereby given that the Department of Administration's reasonable estimate of the total cost to all local public bodies in the state to implement the attached proposed rules for the two years immediately following adoption may exceed $100,000 in either of those two years.

An exact figure of the costs to each county is virtually impossible to determine until the local planning process is completed. Among other factors, population distribution, geographic factors, present emergency service dispatching arrangements and the planned 911 system will determine the added costs.

October 5, 1978

Richard L. Brubacher
Commissioner

Proposed Rules Governing Minimum Standards and Administration of Minnesota 911 (pronounced nine one one) Emergency Telephone Service.

The proposed rules are all new material and pertain to the establishment of 911 systems in the State of Minnesota. The topics addressed are: definition of terms; establishment of planning committees, plan requirements, plan submission and approval; minimum design standards; operational requirements; variances and waivers; contracts and eligibility for state funding.

Rules as Proposed (All New Material)

2 MCAR § 1.6101 Purpose of rules. It is the purpose of these rules to give effect to Minn. Stat. ch. 311 (1977), which requires each county within the Twin Cities Metropolitan Area to establish a 911 emergency telephone system on or before December 15, 1982, and each remaining county within the state to establish a 911 system on or before December 15, 1986.

2 MCAR § 1.6102 Definitions. For the purpose of these rules, the terms defined in this section shall have the meanings given them.

A. "Automatic Location Identification (ALI)" means the process of electronically identifying and displaying on a special viewing screen the address of the calling party's telephone to a 911 answering person as the call is being answered.

B. "Automatic Number Identification (ANI)" means the process of electronically identifying and displaying on a special viewing screen the telephone number of the calling party's telephone to a 911 answering person as the call is being answered.

C. "Dedicated 911 trunk" means a telephone circuit which is used exclusively for the purpose of transmitting 911 calls.

D. "Busy Hour" is a one-hour period during a 24-hour day where the number of 911 calls to the Public Safety Answering Point is usally a maximum. Similarly, "Busy Month" is the busiest month during a 12 month period.

E. "Public Agency" means any unit of local government or special purpose district located in whole or part within this state which provides or has authority to provide fire fighting, police, ambulance, medical, or other emergency services.

F. "PSAP" or "Public Safety Answering Point" means a communications facility operated on a 24-hour basis which first receives 911 calls from persons in a 911 service area and which may, as appropriate, directly dispatch public safety services or extend, transfer, or relay 911 calls to appropriate public safety agencies.

G. "PSAP Manager" means the person having day-to-day responsibility for the operation of the public safety answering point.

H. "Selective Routing" means a process through which a 911 call is routed by means of a special telephone trunking and electronic equipment configuration to a predesignated public safety answering point.

I. "Telephone Exchange Area" means a specific geographic area designated by the Department of Public Service which is served by one or more central offices.

J. "Telephone Exchange Area Central Office" or simply "Central Office" is a term which refers to the site of the telephone switching equipment and the switching equipment itself for a specific telephone exchange area.

2 MCAR § 1.6103 Establishment of County 911 Planning Committee.

A. Each County Board of Commissioners in the State of Minnesota shall establish a committee to develop 911 emergency telephone service plans for the county. The committee so established shall be known as the "County 911 Planning Committee". Members on this committee shall not be considered public officers or employees by virtue of their membership on the committee.

B. The County 911 Planning Committee shall include representation by emergency service providers and shall be responsible for developing the 911 telephone system plan as required by these rules.

2 MCAR § 1.6104 Submission of tentative plans. The tentative 911 emergency telephone service plan shall be submitted to the Department of Administration and the Department of Public Service before December 15, 1978, and shall include the following information:

A. The mailing address of the county, the names of the members of the County 911 Planning Committee, the date the plan is submitted to the Department of Administration, the date 911 telephone service is proposed to be implemented and the signature of the person authorized to submit the county 911 plan.

B. A map showing the boundaries of telephone exchanges included in the proposed system area, telephone central office locations, and the proposed PSAP location(s).

C. A list of all participating agencies whose services will be available by dialing 911.

D. A list of proposed system hardware, trunking and features showing respective installation, and recurring costs. Budgetary estimates as provided by the serving telephone companies are acceptable.

2 MCAR § 1.6105 Submission of final plans. The final plan shall be submitted to the Department of Administration and the Department of Public Service before December 15, 1978, and shall include the following information:

A. The mailing address of the county, the names of the members of the County 911 Planning Committee, the date the plan is submitted to the Department of Administration, the scheduled implementation date of 911 telephone service, and the signature of the person authorized to submit the county 911 plan.

B. A map of the county which shows the telephone exchange boundaries, and the PSAP location(s), and any other pertinent jurisdictional boundaries.

C. The name and mailing address of the agency operating each PSAP and the name and telephone number of the PSAP manager.

D. A description of the procedures and agreements for responding to 911 calls which are routed to a PSAP other than the one which serves the area from which the call originates.

E. A description of the 911 system routing and switching configuration with pertinent technical equipment specifications.

F. A description of the trunk routing, a description of the central office equipment to be used, and the trunk mileage computations if the proposed 911 system includes selective routing.

G. An itemized list of estimated recurring and installation costs for all proposed telephone equipment and service. These estimates shall be provided by the telephone companies at no charge and shall be signed by an authorized telephone company employee.

H. A certification from the county board that the plan meets the requirements of those public service agencies whose services will be available by dialing 911.

I. A list of all participating agencies whose services will be available by dialing 911 with the following information for each listed agency:

1. agency names;

2. agency mailing address;

3. name and telephone number of the agency head;

4. a brief description of the services to be provided;

5. a description of current and proposed dispatching procedures.

J. A description of the secondary means of providing service in the event of the failure of either or both of the following:

1. All or a portion of the 911 emergency telephone system.

2. Failure of PSAP primary electrical power.

2 MCAR § 1.6106 Certificate of plan approval.

A. Following review and comment on the plan, the Department of Administration shall base acceptance of the final plan upon compliance with the provisions contained in these rules. The Department shall notify in writing the designated county official of the acceptance of the plan and shall include an itemization of those costs which will be eligible for payment by the state. This approval shall be in the form of a "Certificate of 911 Plan Approval".

B. If a final plan is disapproved, the Department of Administration shall issue a "Notice of Rejection" to the des-

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ignated county official within six months from the date of submission, which notice shall set forth the reasons for disapproval.

2 MCAR § 1.6107 Resubmission of plans. If a final plan is disapproved by the Department of Administration, a revised plan shall be re-submitted by the designated official within 90 days of the notice of rejection. The state shall review the revised plan and issue its approval or disapproval on the same basis as its consideration of the initial plan within 30 days following receipt of the revised plan.

2 MCAR § 1.6108 Design standards.

A. The 911 system shall be designed and operated to maintain a grade of service such that no more than one call out of 100 incoming calls will receive a busy signal on the first dialing attempt during the busy hour of an average week during the busy month.

B. Where such services are available within a 911 service area, the 911 system shall include the following:

1. Police services. This term includes police, sheriff's departments and state patrol.

2. Fire fighting services.

3. Emergency medical services. This term includes ambulance service and first aid or other immediate response service provided directly to the caller.

C. Other public safety and civil defense services may be included in the 911 system at the discretion of the public agency operating the PSAP.

D. PSAP answering equipment shall permit answering personnel to place the 911 call on hold unless equipment providing automatic call distribution is utilized.

E. Each public safety answering point and each participating agency shall have at least one published telephone number to call for nonemergency services. One number may be shared by two or more participating agencies provided there is a cooperative agreement for call answering responsibility.

F. Remote automatic alarm systems and other related devices shall not be installed in such a manner that an automatic alarm signal is connected to the 911 trunks.

2 MCAR § 1.6109 Operational requirements.

A. 911 shall be the number published in the telephone directory to call in order to receive emergency assistance within the area served by each 911 system.

B. The PSAP manager shall monitor the 911 system grade of service so that the requirements as set forth in this section are met, and shall initiate modification of the system consistent with the provisions set forth in 2 MCAR § 1.6113 of these rules if they are not met. Telephone companies providing 911 telephone service shall measure and prepare a report regarding the 911 grade of service at the request of the PSAP manager. For operational purposes, the Department of Administration shall assume an average call duration time of 70 seconds per 911 call.

If the measurement provided by the telephone company as set forth above indicates that the required level of service is not being met, the following steps shall be taken:

1. The serving telephone company shall prepare plans, specifications and cost estimates to raise the level of service to the required level, and such information shall be provided to the PSAP manager.

2. The Department of Administration and the Department of Public Service shall be notified as provided in 2 MCAR § 1.6113 of these rules. If a modification to the system contract is necessary, the provisions in 2 MCAR § 1.6112 of these rules shall be satisfied.

C. Any public safety agency with jurisdiction shall be notified immediately of any emergency within its jurisdiction.

D. Each PSAP shall provide continuous service to all callers within its service area 24 hours each day, seven days a week.

E. Any calls entering the 911 system not requiring the dispatching of a public safety service unit shall be referred to an administrative number.

F. The PSAP manager may maintain a telephone number other than 911 as a backup number to call should the 911 system fail. If such backup service is provided, the designated number shall be published in the telephone directory as the alternate number to call to receive emergency assistance only when the 911 call cannot be completed.

G. The PSAP manager shall develop and maintain a system for recording 911 calls received by the PSAP. The records shall be retained for a period of at least 31 days from the date of the call and shall include the following information.

1. Date and time the call was received.

2. Nature of the problem.

3. Action taken by the dispatcher.

A magnetic tape recording will satisfy this requirement.

H. The PSAP manager and/or other designee of the county board shall prepare and implement a program of public information regarding 911 service prior to system implementation.

I. All tone signals provided to the 911 calling party shall be identical to tones received when making a regular call.

J. Telephone exchanges adjacent to a 911 service area, but not equipped for 911, shall provide intercept service for persons dialing 911.

K. The PSAP shall be notified in advance by an authorized telephone company representative of any routine maintenance work to be performed which may affect the 911 system reliability or capacity. Any such work shall be performed during PSAP off-peak hours.

L. All telephone companies providing 911 service shall submit separate itemized bills to the Department of Administration and the local unit of government operating each PSAP, as specified in the contract for 911 service.

M. The Department of Administration shall pay only those recurring charges incurred by a PSAP which has been issued a certificate of plan approval which represent the actual service provided by the telephone company to achieve the level of service as specified in 2 MCAR § 1.6108 A. of these rules. If a county selects a higher level of 911 telephone service, the costs of this added service shall be billed directly to the PSAP.

2 MCAR § 1.6110 Variance from deisgn standards.

A. All requests for a variance shall be submitted to the Department of Administration and the Department of Public Service in written form and shall contain the following information:

1. A description of the variance which is requested.

2. A specific reference to the section of the standard which is applicable.

3. A narrative explanation of the reason the variance is requested.

4. A resolution or copy of minutes of the County Board which authorizes the application for a variance.

5. The signature of the person authorized by the county to make application for the variance.

B. A clear showing of either of the following shall serve as just cause for the granting of a variance:

1. The equipment of the serving telephone utility(ies) is of such design or state of repair that it is not possible or practical to design a 911 telephone system that conforms with established design standards. Application for variance based upon the above shall include a written statement from an officer of the serving utility(ies) setting forth the reasons the design standards cannot be met by the company.

2. The costs to local government of implementing a 911 telephone system in conformance with these standards would require a tax levy which would exceed the statutory local levy limit.

C. Upon receipt of a request for a variance, the Department of Administration and, as appropriate, the Department of Public Service, shall evaluate the request and schedule an administrative review within 30 days of the date of receipt of the request for a variance.

D. The administrative review shall be informal and the petitioner may present materials, documents, and testimony in support of its request. The Department of Administration shall determine if the request meets the criteria established for granting a variance, and issue its decision within 30 days of the date of review.

E. If the finding of the Department of Administration is that the request meets established criteria, a variance shall be granted and a Notice of Variance shall be issued.

F. If the finding of the Department of Administration is that the request for variance does not meet established criteria, no variance shall be granted and written notice shall be issued setting forth the reasons for denial.

2 MCAR § 1.6111 Waivers from the requirements of Minn. Stat. §§ 403.01-403.08 (1977).

A. A waiver from the requirements of Minn. Stat. §§ 403.01-403.08 (1977) may be requested by a county, if federal or state financial assistance is not available to pay necessary costs as specified in 2 MCAR §§ 1.6114-1.6115 of these rules and Minn. Stat. § 403.08 (1977).

B. All requests for a waiver shall be submitted to the

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Department of Administration in written form and shall contain the following information:

1. A narrative explanation with cost figures of the reason the waiver is requested.

2. A resolution or copy of minutes of the County Board which authorizes the application for waiver.

2 MCAR § 1.6112 System contracts.

A. When ordering a 911 system or modifying an existing system, each county, together with the Department of Administration and the local government units operating the public safety answering points shall contract with the appropriate public utilities providing telephone service for implementation of the certified 911 system plan.

B. The contract to implement a 911 system shall include an itemized list showing installation and recurring costs for all system features and hardware.

C. Counties with 911 systems designed, contracted for or implemented before December 15, 1978, shall submit one copy of the 911 contract(s) to the Department of Administration and to the Department of Public Service.

2 MCAR § 1.6113 Modification to plan.

A. The PSAP manager through the responsible unit of local government, shall notify the Department of Administration 30 days in advance of any proposed modification to the 911 system which would modify the plan as certified consistent with the provisions of 2 MCAR § 1.6105.

B. Within 30 days of receipt of such proposed modification, the Department of Administration shall review it for consistency with the requirements of funding eligibility set forth in 2 MCAR §§ 1.6114-1.6115, and issue its approval or disapproval. If the modifications are disapproved, such proposed changes shall be ineligible for funding assistance.

2 MCAR § 1.6114 Funding eligibility/payment of recurring costs.

A. Recurring costs of providing minimum 911 telephone service shall be paid by the state, as described herein, consistent with available funding, provided an approved final plan is on file with the Department of Administration and a Certificate of Plan Approval has been issued.

B. The following recurring costs shall be paid by the state:

1. The recurring costs associated with trunks and dial access trunk equipment necessary to provide the minimum grade of service as defined in 2 MCAR § 1.6108 A. Additionally, in those exchange areas where the minimum grade of service can be achieved with only one trunk due to extremely low population density, a second trunk is eligible if call-extended features are provided by the PSAP and 600 or more main stations are located in the exchange area. If call-extending is not provided from the PSAP, a second trunk is eligible if 1000 or more main stations are located in the exchange area.

2. The recurring equipment and trunking costs associated with providing selective routing service for all exchanges that, without selective routing, would generate at least five redirected 911 calls per day. Should the number of redirected 911 calls be impossible to define by measurement, the following formula shall be used:

$$\frac{A \times B \times C}{1000} = \left|\begin{array}{l}\text{Number of redirected}\\ \text{calls per day.}\end{array}\right.$$

a. "A" equals the population living in that part of a telephone exchange geographic area not normally served by communications personnel at the public safety answering point. (This figure can be determined by using census tract data or other appropriate means.)

b. "B" equals the number of 911 telephone calls per 1,000 population per day in the geographic area of the telephone exchange. If that number is not available, the following method shall be used for estimating that number.

1. Three (3) for all cities of the first class (as defined in Minn. Stat. § 410.01), or if the telephone exchange is located within ten air miles of the corporate boundaries of a city of the first class.

2. Two (2) for an exchange located within a city containing a population of 25,000 or more, but not a city within ten air miles of a city of the first class; for an exchange located within five air miles of the corporate boundaries of a city with a population of 25,000 or greater, or for those exchanges located more than ten but less than fifteen air miles from the corporate boundaries of a city of a first class. Determination of population shall be based upon the most current estimates of the State Demographer. If such estimates are not available, population shall be based upon the latest federal or special census.

3. One (1) for exchanges in those areas of the state not falling within the above classification.

c. "C" equals the ratio of the number of 911 calls that will require re-direction to the total number of 911 calls originating from that part of the telephone exchange geographic area not normally served by communications personnel at the PSAP.

3. A county may petition the Department of Adminis-

tration for state payment of selective routing costs for those exchanges which do not qualify for funding under 2 MCAR § 1.6114 B.2. Such petition will be considered as an application for variance and shall comply with the provisions contained in 2 MCAR § 1.6110 A. The Department of Administration shall evaluate such a request pursuant to the provisions of 2 MCAR § 1.6110 C.-F. and shall grant a variance upon a clear showing by the petitioner of the following factors:

a. Extraordinary circumstances affecting the provision of emergency services such as the following:

(1) Land use characteristics including, but not limited to residential, commercial, and industrial uses, the assessed valuation of the area, and reasonable population projections for a five year period.

(2) Population characteristics including, but not limited to, population densities by discreet period of time per day and by season of the year.

(3) Public safety factors causing unique or unusual problems including, but not limited to, natural and transportation barriers to effective service, the legal service boundaries of public safety agencies; and facilities or sites with unusual or potential high-risk public safety hazards.

b. The Department of Administration's assumption of such payments results in a clear and significant improvement in public safety.

C. In any telephone exchange having the technological capacity for generating ANI information, the cost of transmitting such information from the originating exchange to the primary PSAP shall be eligible for state payment.

2 MCAR § 1.6115 Funding eligibility/payment of Central Office Modification Costs.

The state shall pay the capital and installation costs associated with modification of telephone company central office switching equipment necessary to properly route a call that was placed by dialing 911. Payment shall be subject to the following provisions:

A. Sufficient documentation shall be furnished by the telephone companies to provide for certification by the Department of Public Service that the modifications and the costs therefore are reasonable.

B. Payment shall be made in accordance with Minn. Stat. § 403.11 (1977).

Department of Revenue

Proposed Rules of the Department of Revenue Governing the Alcoholic Beverage Excise Tax

Order for Hearing

It is hereby ordered that a public hearing on the above-captioned rules be held in Conference Room A, First Floor, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101, on November 29, 1978, commencing at 9:00 a.m. and continuing until all persons have had an opportunity to be heard.

It is further ordered that a Notice of Hearing be mailed to all persons or representatives of associations or other interested groups who have registered their names with the Secretary of State for that purpose.

It is further ordered that the Notice of Hearing be published in the *State Register*.

October 5, 1978

Arthur C. Roemer
Commissioner of Revenue

Notice of Hearing

Notice is hereby given that a public hearing in the above-entitled matter will be held in Conference Room A, First Floor, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101, on November 29, 1978, commencing at 9:00 a.m. and continuing until all persons have had an opportunity to be heard.

All interested or affected persons will have an opportunity to participate. Statements may be made orally and written materials may be submitted at the hearing. In addition, written materials may be submitted by mail to Steve Mihalchick, Office of Hearing Examiner, Room 300, 1745 University Avenue, St. Paul, Minnesota 55104, (612) 296-8112, either before the hearing or within five days after the close of the hearing.

The proposed rules, if adopted, would govern the assessment and collection of the alcoholic beverage taxes that are now being administered by the Department of Revenue as a result of Laws of 1976, ch. 5, which repealed the Department of Liquor Control and transferred the duties to

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the Department of Public Safety and to the Department of Revenue. Generally these rules relate to the assessment and collection of the excise taxes on distilled spirits and wines, returns and reports required, records to be kept, and bonds needed. The rules also relate to the assessment and collection of excise taxes on fermented malt beverages, returns and reports required and records to be kept. Another subject of the rules concerns a common carrier's license to sell intoxicating liquor and the assessment and collection of excise taxes on distilled spirits, wines and malt beverage that a common carrier sells. The proposed rules, if adopted, would also require the use of metric standards to determine the excise tax on distilled spirits and wine beginning January 1, 1979.

Copies of the proposed rules are now available, and one free copy may be obtained by writing to Howard Anderson, Director, Alcohol, Tobacco and Special Taxes Division, 9th Floor, Capitol Square Building, 550 Cedar Street, St. Paul, Minnesota 55101, (612) 296-3482. Additional copies will be available at the door on the date of the hearing. The agency's authority to promulgate the proposed rules is contained in Minn. Stat. § 340.485, subds. 1 and 3, and 340.492 (1976) and in Minn. Stat. § 340.47, subd. 2b (1977 Supp.).

Notice is hereby given that 25 days prior to the hearing a statement of need and reasonableness will be available for review at the agency and at the Office of Hearing Examiners. This statement of need and reasonableness will include a summary of all of the evidence which will be presented by the agency at the hearing justifying both the need for and the reasonableness of the proposed rules. Copies of the statement of need and reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

Minn. Stat. ch. 10A requires each lobbyist to register with the Ethical Practices Board within five days after commencing lobbying. "Lobbyist" means any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than $250, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

"Lobbyist" does not include any:

(a) Public official or employee of the state or any of its political subdivisions or public bodies acting in his official capacity.

(b) Party or his representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(c) Individual while engaged in selling goods or services to be paid for by public funds;

(d) News media or their employees or agents while engaged in the publishing or broadcasting or news items, editorial comments or paid advertisements which directly or indirectly urge official action;

(e) Paid expert witness whose testimony is requested by the body before which he is appearing but only to the extent of preparing or delivering testimony; or

(f) Stockholder of a family farm corporation as defined in § 500.24, subd. 1, who does not spend over $250, excluding his own travel expenses in any year in communicating with public officials.

Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, phone number (612) 296-5615.

Notice: all persons have the right to be notified of the date on which the hearing examiner's report will be available after which date the agency may not take any final action on the rules for a period of five working days. All persons have the right to be informed of the date on which the hearing record has been submitted to the Attorney General by the agency. If you desire to be so notified, you may do so by indicating at the hearing or by written request sent to the hearing examiner prior to the close of the record.

October 5, 1978

Arthur C. Roemer
Commissioner of Revenue

Rules as Proposed (All New Material)

Chapter I Assessment and Collection of Excise Taxes on Distilled Spirits and Wines; Returns and Reports Required; Records to be Kept; and Bonds Needed

13 MCAR § 1.9001 Introduction. Under Laws of 1976, ch. 5, the responsibility for the assessment and collection of excise taxes on alcoholic beverages was transferred from the Department of Liquor Control to the Department of Revenue, Alcohol, Tobacco and Special Taxes Division.

The Department of Revenue currently has no rules relating to the assessment and collection of these taxes. These rules are being issued to fill that void.

Minn. Stat. ch. 340 deals with intoxicating liquors in Minnesota. The Department of Public Safety, Liquor Control Division published rules that clarify ch. 340, except for §§ 340.44 to 340.56. The following rules clarify these sections by describing the assessment process, the means by which payment must be made, the reports required to be filled out and sent in by the taxpayer, and other facts important to the assessment and collection of the excise tax on alcoholic beverages.

All persons engaged in the alcoholic beverage industry within Minnesota should first read Minn. Stat. ch. 340, as well as the rules involving the administration of the Intoxicating Liquor Act as issued by the Department of Public Safety, Liquor Control Division. A knowledge of the law and rules will help you to better understand the Department of Revenue rules.

13 MCAR 1.9002 Definitions. Most of the terms and phrases germane to the assessment and collection of the excise tax on alcoholic beverages are defined in Minn. Stat. ch. 340; §§ 340.001, 340.07, 340.401, and 340.44 or the rules of the Department of Public Safety, Liquor Control Division. For the purposes of these rules the following additional words and phrases will be used and will have the meaning described below, except where the context clearly indicates a different meaning.

A. "Commissioner" is the Commissioner of Revenue of the State of Minnesota.

B. "Barrel" is a container for malt beverages holding 31 U.S. gallons.

C. "Director" is the Director of the Alcohol, Tobacco and Special Taxes Division, Minnesota Department of Revenue.

D. "Liter" is a metric unit of capacity equal to 100 cubic centimeters of distilled spirits at 15.56°C (60°F) and equivalent to 33.814 U.S. fluid ounces. A liter is subdivided into 1,000 milliliters (ML).

E. "Military Club" is any Officers or Non-Commissioned Officers Club which is located on a United States Government Military Base, and meets all Federal criteria for the establishment and operation of such a club. The Director shall published a list of all such clubs within Minnesota which will be available to wholesalers. Only military clubs named on this list shall be eligible to purchase tax exempt alcoholic beverages.

F. "Miniature" is any container of distilled spirits containing 50 milliliters or less.

G. "Minnesota Identification Number" is that number assigned to a taxpayer by the Minnesota Department of Revenue, and is the same number used by the taxpayer for income tax, sales and use tax and withholding returns.

H. "Split" is any container of wine less than 200 milliliters but more than 50 milliliters.

I. "Wine" is wine as defined in the Code of Federal Regulation Title 27, Section 4.10(e) and Sections 4.21 through 4.24 as they existed on April 1, 1977. However, wine is not to be limited to not less than seven percent alcohol by volume but is to be considered wine if it contains no less than one-half of one percent alcohol by volume.

13 MCAR § 1.9003 Excise tax on distilled spirits and wine.

A. Distilled spirits and wine sold for beverage purposes in the State of Minnesota are subject to an excise tax. All wholesalers of distilled spirits and wines have to pay the tax to the Commissioner at the rates described in Minn. Stat. § 340.47. The wholesaler is responsible for paying the amount of this tax at the time distilled spirits and wine are removed from the inventory for sale, delivery or shipment, except for such tax exempt sales described in these regulations.

1. Containers of bitters having the Federal strip stamp, or similar device attached, are to be considered as beverages and are to be taxed as distilled spirits.

2. Miniatures shall be taxed at 12 cents each. NOTE: Miniatures are not permitted to be sold in Minnesota except to common carriers and certain authorized retailers.

3. Metric units of measure will be used in determining the excise tax on distilled spirits and wine beginning January 1, 1979. The factor for conversion of U.S. gallons to metric standards is: 1 liter equals 0.264172 U.S. gallon.

4. Alcoholic content to be used for excise tax purposes is to be the percent of alcohol by volume as shown on the label of the product. If the alcoholic content is not shown on the label, the alcoholic content as established by the chemi-

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cal analysis required for brand label registration is to be used. If two or more percents of alcohol by volume are shown on the label (i.e. 13% — 15%) the higher figure is to apply in determining the excise tax.

13 MCAR § 1.9004 Certification label fee.

A. Minn. Stat. § 340.461 provides for payment of a certification fee on all containers of spirits or wine. This tax was formerly administered through the sale of carton labels by the State Treasurer to various distillers, importers and wholesalers. The container fee is now to be paid by all wholesalers of distilled spirits and wine to the Commissioner at the rate as described in Minn. Stat. § 340.461. The wholesaler is responsible for the payment of this tax when the containers of distilled spirits and wine are removed from his inventory for sale, delivery or shipment.

B. Exemptions from the certification label fee are as follows:

1. Miniatures of distilled spirits.

2. Containers of fermented malt beverage.

3. Containers of intoxicating liquor or wine holding less than 200 milliliters.

4. Containers of wine intended exclusively for sacramental purposes.

5. Containers of alcoholic beverages sold to qualified, approved military clubs.

6. Containers of alcoholic beverages sold to common carriers.

7. Containers of alcoholic beverages sold to authorized food processors or pharmaceutical firms for use exclusively in the manufacturing of food products or medicines.

8. Containers of alcoholic beverages sold and shipped to dealers, wineries, or distillers in other states.

9. Containers of alcoholic beverages sold to other Minnesota wholesalers.

13 MCAR § 1.9005 Monthly report and tax return for distilled spirits and wine.

A. A monthly return is to be filled out and sent to the Commissioner by all Minnesota licensed manufacturers and wholesalers of distilled spirits and/or wine. The monthly return, form LB-56, must be filed no later than the 10th day of the next month and payment of the taxes shown on the return must accompany it. Failure to file this return and pay the taxes on time will result in additional charges described in Minn. Stat. § 340.485.

B. The LB-56 return is to include the following information:

1. Name, Minnesota Identification Number, and address of the wholesaler or distiller, and the month for which the report is being made.

2. Amount of purchases by type of alcoholic beverage for the month.

3. Beginning inventory by type of alcoholic beverage for the month.

4. Ending inventory by type of alcoholic beverage for the month. NOTE: The ending inventory for one month must be used as the beginning inventory for the following month.

5. Total amount of alcoholic beverages sold, shipped or delivered for the month.

6. Exemptions for the month which may include:

a. Sales to Minnesota wholesalers. This exemption is to be permitted only if the sale or transfer is verified by the firm receiving the product.

b. Shipment to dealers, wineries, and distillers located in other states. The shipments must be documented by properly executed bills of lading. Also, the out of state consignees must be authorized to receive distilled spirits and/or wines in their respective states. And, they must have filed receipt of the shipments with their respective state liquor authorities.

c. Sales to common carriers and qualified, approved military clubs. The sales must be documented by properly receipted invoices, delivery tickets or bills of lading on file at the wholesaler's premises.

d. Sales of wine to any regularly appointed and ordained rabbi, priest, minister or pastor of any church or established religious organization. The sale must be documented by an affidavit executed by the purchaser at the time of purchase. The affidavit is to contain a statement that the quantity and type of wine purchased is to be used exclusively for religious or sacramental purposes. These affidavits are to be kept on file at the wholesaler's premises.

e. Sales of distilled spirits and wines to authorized food processors, or pharmaceutical firms. The sale is to be documented by an affidavit executed by the purchaser, at the time of purchase, to the effect that the quantity and type of distilled spirits or wine purchased is to be used ex-

clusively in the manufacture of food products or medicines. The affidavits are to be kept on file at the wholesaler's premises.

f. Distilled spirits and wines destroyed under the supervision of a Division of Alcohol, Tobacco & Special Taxes Employee. The destructions must be documented by an affidavit executed by a Division employee. The affidavit must be kept on file at the wholesaler's premises.

g. Breakage of distilled spirits and wine either while in transit to the wholesaler's premises or while in his warehouse. Under no circumstances will breakage be allowed on goods which have left the wholesaler's warehouse. In order to qualify for tax exempt status this breakage must be inspected and approved by an employee of the Division. All broken bottles must be retained in the original carton or cases. Also, every bottle claimed as breakage must have an unbroken Federal strip stamp or cap seal. After inspection by a Division employee, breakage may be disposed of by the wholesaler. The burden of proof for establishing breakage allowances is upon the wholesaler. Any breakage that does not meet the above standards set by the Division will not be allowed as tax exempt. Affidavits may be required in order to document the breakage. These affidavits are to be executed by the Division employee and kept on file at the wholesaler's premises.

7. Sales of alcoholic beverages by type to retailers for the month.

NOTE: Wholesalers may subtract from the amount of their taxable sales the amount of the products returned by retail dealers. However, credit memos must have been prepared and kept in numerical order on file at the wholesaler's premises. No allowance will be given for breakage returned from retailers.

8. Miscellaneous taxable usage. This includes such items as salesman's samples and pilferage.

9. A computation of excise taxes due which shall be based on the total taxable sales, by type of alcoholic beverage, multiplied by the appropriate tax rate.

Overpayments of tax for prior periods as determined by audit may be deducted from the tax due. Notations in the form of audit credit must accompany the return.

C. An example of a completed LB-56 form is contained in the Appendix of these rules. Blank copies of this form and all other forms described in these rules may be obtained from the Division.

13 MCAR § 1.9006 Monthly report for manufacturers, wholesalers and importers.

A. A monthly report, Form LB-37, must be filed with the Commissioner by all manufacturers, wholesalers and importers licensed to ship distilled spirits and/or wine into Minnesota. This report is an informational return. No payment of any tax is required to be sent in with this report. The report must be filed no later than the 10th day of the following month, regardless of whether or not any shipments were made into Minnesota during the previous month. If this return is not filed the Director is to notify the Department of Public Safety, Liquor Control Division that the manufacturer, wholesaler or importer has not complied with the terms of his or her licensing agreement under Minn. Stat. § 340.113, subd. 2. The Commissioner of Public Safety is permitted to revoke or fail to renew licenses of manufacturers, wholesalers and importers who do not obey the law.

B. The monthly report for manufacturers, wholesalers and importers must include the following information:

1. Name, address of the manufacturer, wholesaler or importer and the month for which the report is being made.

2. Details of the shipment of alcoholic beverages into Minnesota during the month, specifying the consignee and the quantity, by type of alcoholic beverage, in each shipment.

3. Complete records of such shipments and transactions must be maintained by the manufacturer, wholesaler, or importer for a period of two years after the date of each transaction.

C. An example of a completed LB-37 form is contained in the Appendix of these rules.

13 MCAR § 1.9007 Records to be kept.

A. In order to insure the orderly administration of the Minnesota excise tax law on alcoholic beverages, certain record keeping procedures will be required of all wholesalers, retailers and persons manufacturing, storing, or selling alcoholic beverages in the State. The records kept must include all normal books of account ordinarily maintained by the average prudent businessman engaged in the appropriate phase of the alcoholic beverage business. Also, all bills, receipts, invoices, cash register tapes, or other docu-

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ments of original entry supporting the entries in the books of account as well as all schedules or working papers used in connection with the preparation of the excise tax return must be kept.

1. Microfilm reproduction of general books of account will not be accepted in place of original records unless all phases of the microfilming process including preservation, indexing, cross referencing, location and inspection have received prior written approval from the Director.

2. Electronic Data Processing (E.D.P.) records must include a method of producing visible and legible records from the machine-sensible records which will provide the necessary information for the verification of the taxpayer's excise tax liability. All machine-sensible records which are material in the administration of the Liquor Tax Law are required to be maintained and retained in the same manner as printed records. In addition all E.D.P. accounting systems must provide:

a. A general ledger with source references.

b. An identifiable audit trail.

c. The capability of tracing any transaction back to the original source or forward to a final total.

d. Adequate record retention facilities for the storage of all supporting documents.

e. A general description of the workings of the E.D.P. system itself including: programming technique, codes, glossary, abbreviations used, standard operating and control procedures, change log, and operator instructions.

B. In addition to the requirements set forth in Subdivision A. above, every retail dealer must keep a record, in book form, showing all distilled spirits, wine and fermented malt beverage received on his or her premises, the quantity of the beverages, and from whom received; or he must keep all invoices and bills for distilled spirits, wine and beer received.

C. In addition to the requirements described in Subdivision A. above, all wholesale distributors are required to maintain:

1. Receiving reports. Wholesale distributors must prepare a receiving report upon receipt of each shipment of distilled spirits and wines imported into the state in containers or in bulk and under manifest, or purchased from other wholesalers or distributors within the state, or produced from bulk by the wholesaler. Each receiving report shall be numbered and filed in numerical order. On shipments from outstate the manifest or bill of lading number assigned to that shipment must be recorded on the receiving report. The contents of the receiving report must be the same as shown on the manifest or bill of lading. If the contents shown on the receiving report differs from the manifest or bill of lading, a full and complete explanation of the difference must be attached to the receiving report.

2. Inventories. On June 30 and December 31st of each year certified physical inventories must be taken of all distilled spirits and wine in the possession of the wholesaler. The results of these certified inventories must be filed with the Commissioner on a form approved by the Director, together with the wholesalers monthly excise tax report for June and December. This inventory statement must show the number of liters for each type of alcoholic beverage together with a count of bottles and miniatures. Wholesalers having bulk amounts of distilled spirits or wines must file separate inventories of bulk and bottled products. Dates other than those mentioned above, special inventory forms and/or waiver of one inventory date are permitted if prior written approval is received from the Director.

3. Record of sales and deliveries. Wholesale distributors shall prepare invoices, delivery tickets and/or bills of lading for each sale or delivery of distilled spirits or wine and shall retain copies in numerical order or by customer name. These records shall include the customer's name and address and the point of delivery. These records must include any non-taxable sales or dispositions that may be allowed as an exemption under § 1.9005 B.(6).

4. Production and/or bottling records. Minnesota licensed manufacturers and wholesale distributors that bottle or rectify distilled spirits or wines must prepare daily bottling and rectification reports. These reports are to show the quantities of bulk product used and the quantities bottled each day and the total for the month. A copy of the bottling report must be attached to the Minnesota Excise Tax Report Form LB-56.

Finished bottled products are to be transferred from the bulk product to the regular stock, by receiving the bottled liters and bottles in the purchases section of the Minnesota Excise Tax Report, form LB-56. Individual receivings by bottling lots are preferable in certain operations, but a single receiving for the month based on the bottling report is permitted.

Minnesota bottlers of wine are permitted to exempt a certain amount of volume from the tax for leakage which occurs during the transportation of wine in bulk into the state and for wastage during the process of bottling. However, such claims are not permitted to be more than two percent of the volume imported or processed in any one calendar year. An affidavit must be sent in for each claim. This affidavit must accompany the Monthly Excise Tax Report for the month in which the leakage or wastage occurred.

D. All records required to be kept must be maintained in good order and readliy accessible for a period of four years. However, records can be destroyed earlier than four years if written approval is received from the Director.

E. The Commissioner or his duly authorized employee can, by law, examine all the above-mentioned books, papers and records in order to determine whether the correct amount of excise tax on alcoholic beverages has been paid. This inspection may be carried out at the premises of the manufacturer, wholesaler, retailer, or at another location where these records are maintained.

13 MCAR § 1.9008 Bonds required.

A. Under Minn. Stat. § 340.485, subd. 2, wholesalers of distilled spirits and wine are required to file a surety bond with the Commissioner. Bonds must be for a period of one year, beginning July 1 and ending June 30 of each year. The bonds must be filed with the Commissioner no later than June 20 of the year before the bond is effective. The amount of bond required of each wholesaler and the forms of bond required will be furnished to each wholesaler by June 1 of each year.

After the bond has been acknowledged by the principal and been approved and acknowledged by the surety, two copies must be mailed to the Director.

B. The amount of the bond is to be computed by the Director. The amount is not to be more than two times the wholesaler's average monthly excise tax liability for the preceding calendar year. The bond for a new wholesaler is to be set at an amount not to exceed an estimated two month tax liability.

C. The Director may, upon written application from the wholesaler, waive this bonding requirement. In place of the bond, the Director may permit a certified check to be used. This check must be made in favor of the Commissioner and will be kept in the office of the Director. It must be drawn for an amount equal to a comparable surety bond for the particular wholesaler. The Department of Revenue is to pay no interest on funds encumbered by this check.

13 MCAR § 1.9009 Reserved for future use.

Chapter II Assessment and Collection of Excise Taxes on Fermented Malt Beverages; Returns and Reports Required; and Records To Be Kept

13 MCAR § 1.9010 Excise tax on fermented malt beverage.

A. An excise tax must be paid on fermented malt beverages sold for beverage purposes within the State of Minnesota. This excise tax is to be paid by the brewer of malt beverages brewed in Minnesota; or by the wholesaler or out of state brewer of malt beverages imported into the state. The tax must be paid to the Commissioner at the rates under Minn. Stat. § 340.47. Credits applying to the tax are also described in Minn. Stat. § 340.47. No Minnesota excise tax is to be paid on malt beverages:

1. Sold and shipped into interstate commerce by Minnesota businesses;

2. Transferred in bond from one brewery, to another. However, U.S. Government Form ATF 2035 must be properly filed with the appropriate federal agency documenting such a transfer. Excise tax becomes due on these shipments when they leave the bonded premise of the brewery for shipment to a Minnesota wholesaler or retailer.

3. Distributed to brewery employees for consumption on brewery premises under a contract of employment;

4. Given away without a charge of any kind for consumption on brewery premises.

5. Sold to qualified, approved military clubs.

B. The official standard of measure for fermented malt beverages is to be the barrel.

13 MCAR § 1.9011 Monthly report and tax return for fermented malt beverages.

A. Licensed Minnesota brewers and out of state brewers or importers must file monthly, with the Commissioner, form LB-128. This report must be filed no later than the 15th day of the month and is to be made for all sales of fermented malt beverage within, or imported into, Minnesota for the preceding calendar month. The amount of excise tax to be paid on the sale or importation of these malt beverages must be sent in together with form LB-128. Failure to file this return and pay the tax on time will result in penalties described in Minn. Stat. § 340.492.

B. The LB-128 report is to contain the following information:

1. Name, Minnesota Identification Number, and address of the brewer or importer; and the month for which the report is being made.

2. Number of barrels of 3.2 and strong beer sold or

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shipped into Minnesota during the month, and the amount of tax to be paid on each class of beer.

3. Form LB-128 may be supplemented by certain E.D.P. printouts if prior approval is received from the Director.

C. Malt beverages destroyed under supervision of a Division of Alcohol, Tobacco and Special Taxes Division employee are exempt from Minnesota tax. However, duplicate affidavits must have been executed by an employee of the Division. One copy of the affidavit must be filed with the LB-128 report; and one copy to be retained by the brewer or importer.

D. An example of a completed LB-128 form is contained in the Appendix of these rules.

E. The monthly LB-128 form must be accompanied by one or more of the following forms which detail the monthly operation of the brewer or importer.

1. Out of state brewers and wholesale malt beverage dealers must file, in connection with the LB-128, a monthly report, form LB-51, for all shipments into the state during the previous month. These reports are to contain the following information:

a. Name, Minnesota Identification Number, and address of the brewer or importer; and the month for which the report is being made.

b. Taxable sales to licensed Minnesota Wholesalers.

c. Non-tax-paid shipments to licensed Minnesota wholesalers, for later delivery to other states or for tax exempt sale within the state to duly authorized common carriers or military clubs. Each of these non tax-paid shipments must be supported by an affidavit, or by a duplicate copy of the invoice. These documents must be filed with the report.

d. The amount of excise tax must be determined on the taxable sales at the rates described in Minn. Stat. § 340.47.

e. An example of a completed LB-51 form is contained in the Appendix of these rules.

2. Minnesota Brewers must file, in connection with the LB-128 form, monthly reports for 3.2 beer on form LB-88 and for strong beer on form LB-89. These reports must contain the following information:

a. Name, Minnesota Identification Number and address of the brewer; and the month for which the report is being made.

b. The brewer's beginning and ending inventory.

c. Barrels of beer manufactured.

d. Tax exempt sales, which include:

(1) Beer consumed on the brewery premises by employees or others as provided in Minn. Stat § 340.47, subd. 2.

(2) Beer sold tax exempt to duly authorized common carriers or military clubs. Receipted invoices or properly executed bills of lading must be kept on file to verify each claim.

(3) Beer sold or exported to authorized dealers in other states. These sales must be individually recorded on Supplemental Form 88 or 89. Invoices and properly executed bills of lading must be on file to verify each shipment. Exemption is also dependent on the report made by the consignee to the liquor tax authority in the respective state, stating the quantities of beer received in each shipment.

(4) Beer sold to Minnesota licensed wholesalers for later delivery into other states.

(5) Beer destroyed as approved by the Federal Government, or the Department of Revenue.

e. Taxable sales, which include:

(1) Beer sold to duly licensed retailers.

(2) Beer having not more than 3.2 percent alcohol by weight sold to consumers as provided in Minn. Stat. § 340.02, subd. 7.

(3) Beer sold to wholesalers authorized to sell beer in Minnesota.

f. Excise tax is to be computed on the taxable sales rate applying the credits as specified by Minn. Stat. § 340.47.

g. An example of a completed Minnesota Brewers report LB-89 together with supplemental sheet is contained in the Appendix of these rules.

13 MCAR § 1.9012 Monthly report for Minnesota malt beverage wholesaler.

A. Minnesota Wholesale distributors of malt beverages must file monthly informational reports with the Commissioner no later than the 15th of the following month. For Minnesota tax paid malt beverages, form LB-52C must be completed. For non-tax-paid malt beverages form LB-66

shall be used. Both of these reports must contain the following information:

1. Name, Minnesota Identification Number, and address of the wholesaler, and the month for which the report is being made.

2. Inventories; beginning and ending each month.

3. Quantities purchased, and from whom purchased.

4. Quantities sold. In addition, the name of the person to whom sold must be listed on form LB-66.

B. Failure to file these reports will result in the Director notifying the Department of Public Safety, Liquor Control Division, that the wholesaler is not complying with the terms of his licensing agreement. The Commissioner of Public Safety is permitted to revoke or not renew licenses of wholesalers who do not obey the law.

C. Examples of completed Malt Beverage Wholesalers form LB-52C and LB-66 are contained in the Appendix of these rules.

D. Non-tax-paid beer in the possession of a Minnesota wholesale beer distributor may be transferred to his or her tax-paid inventory upon filing with the Commissioner form LB-128 together with the payment of the tax due.

E. Wholesalers who import beer direct from foreign countries must file with the Commissioner form LB-128 together with monthly report form 52C. These forms and the payment of the excise tax are due by the 15th day of the month on all beer imported into the state during the preceding month.

13 MCAR § 1.9013 Records to be kept.

A. The same requirements that are contained in § 1.9007 A. pertain to Minnesota licensed brewers, wholesalers and importers of fermented malt beverage.

B. Certified physical inventories are not required. However, if a physical inventory of the stock of a Minnesota brewer, wholesaler, or importer is taken, either by the person himself or by a Federal agency, the results of that inventory must be forwarded to the Director.

C. All records must be maintained in accordance with § 1.9007 D.

D. Examination of books and records of brewers, wholesalers, and importers can be made under the procedure set forth in § 1.9007 E.

13 MCAR § 1.9014 Reserved for future use.

Chapter III Common Carriers Licensed to Sell Intoxicating Liquor; and Assessment and Collection of Excise Taxes on Distilled Spirits, Wine, and Malt Beverage

13 MCAR § 1.9015 Common carriers.

A. The Commissioner of Public Safety is permitted, under Minn. Stat. § 340.11, subd. 3 and Minn. Stat. § 340.14, subd. 5, to issue a license to sell intoxicating liquor to bona fide passengers being transported in interstate or intrastate commerce. Licensed common carriers are permitted to purchase intoxicating liquor and nonintoxicating malt beverages from licensed Minnesota wholesalers as a tax exempt purchaser. The wholesaler may deduct quantities sold to common carriers from the tax computation on LB form 56 by listing the sales on that form. However, the common carrier becomes liable for the excise tax, at the rates specified by Minn. Stat. § 340.47, on all alcoholic beverages sold within Minnesota.

13 MCAR § 1.9016 Monthly report and tax return for common carriers.

A. Common Carriers licensed by the Commissioner of Public Safety must maintain a daily record of all distilled spirits, wines and malt beverages sold within the State of Minnesota. Also, licensed common carriers must file monthly reports on LB Form 123 for the total sales of liquor, wine and beer; together with the tax payment on the sales by the 10th day of the following month. Failure of a Common Carrier to submit reports and tax payments timely will make him subject to such penalties described in Minn. Stat. §§ 340.485 and 340.492. The LB-123 report must contain the following information:

1. Name, Minnesota Identification Number, and address for the Common Carrier, and the month for which the report is being made.

2. Quantity of distilled spirits, wine, and malt beverages sold during the month and the tax due utilizing the appropriate tax rate.

B. A common carrier is permitted to use a formula for the allocation of the total sales of alcoholic beverages between states on the basis of passenger miles or some other

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method of allocation if written approval is received from the Director. The Director may approve the plan if he is convinced that the allocation properly apportions the sales to the respective states.

C. An example of a completed Common Carrier LB 123 form is contained in the Appendix of these rules.

13 MCAR § 1.9017 Reserved for future use.

Appendix

Examples and exhibits.

Following are examples of the properly completed reports that must be sent in to the Department of Revenue. The forms are offered for purposes of illustration only. Minor changes or revisions may be made in the forms from time to time. However, these changes should not affect the illustrative purpose of these rules. If major changes are made, a new example will be inserted into the regulations. All forms used in the administration of the Minnesota excise tax on alcoholic beverages are available from the Division.

LB Form 5C (Rev. 10/77)

MONTHLY REPORT OF DISTILLED SPIRITS AND WINES (METRIC)

For Department Use Only

Check _____
Cash _____
Rec'd _____
Rec'd by Cashier _____

[X] WHOLESALE [ ] PRODUCTION Page 1

MINNESOTA DEPARTMENT OF REVENUE
ALCOHOL, TOBACCO AND SPECIAL TAXES DIVISION
Centennial Office Building
St. Paul, Minnesota 55145

NAME: ABC WHOLESALE LIQUOR CO. #1234567
ADDRESS: 6420 Axel Street
CITY: St. Paul, Minnesota 55145

DATE: February 5 19 78

RECORD OF PURCHASES AND SALES

	TRANSACTIONS FOR THE MONTH	DISTILLED SPIRITS LITERS	CHAMPAGNE AND WINES OVER 24% LITERS	WINES over 21% to 24% LITERS	WINES over 14% to 21% LITERS	WINES 14% and under LITERS	NUMBER OF BOTTLES	LIQUOR MINIATURES
	1. Purchased	4,351 73	2,508 00	126 90		29,397 64	38,580	3,000
	2. On Hand – First of Month	3,780 00	2,280 00	56 40	15,040 00	2,509 00	25,060	2,000
	3. Less: On Hand – End of Month	1,890 00	1,140 00	37 60	13,285 20	1,737 00	25,040	1,000
	4. Balance – Liters Used	6,241 73	3,648 00	145 70	1,754 80	30,169 64	38,600	4,000
Liters Used – Tax Exempt	5. Shipments to Wholesalers	370 26	683 92			9 26	1,524	
	6. Misc. Exempt Sales	90 72				27 13	156	1,560
	7. Shipments Out State	113 40		26 43	165 44		524	
	8. Authorized Breakage/ Supervised Destruction		24 59	119 27			36	
	9. Total Tax Exemptions	574 38	708 51	145 70	165 44	36 39	2,240	1,560
Liters Used – Taxable	10. Sales to Retailers	5,618 03	2,922 96	--- --	1,583 79	30,133 25	36,205	2,440
	11. Less Returns	16 22	1 14		20 30		40	
	12. Misc. Taxable Usage	65 54	17 67		25 87		195	
	13. Total Taxable Sales	5,667 35	2,939 49	--- --	1,589 36	30,133 25	36,360	2,440
	14. Balance – Liters Used Lines 9 & 13	6,241 73	3,648 00	145 70	1,754 80	30,169 64	38,600	4,000

COMPUTATION OF EXCISE TAX DUE

	TOTAL TAXABLE SALES	ENTER TOTALS FROM LINE 13	RATE	EXCISE TAX		
15.	Distilled Spirits	5,667.35	$1.16	$ 6,574.13		
16.	Liquor Miniatures	2,440	.12 Ea	292.80		
17.	Total - Line 15 & 16				$ 6,866.93	
18.	Champagne and Wines - over 24%	2,939.49	.81	2,380.99		
19.	Wines - over 21% to 24%	--------	.42	--------		
20.	Wines - over 14% to 21%	1,589.36	.21	333.77		
21.	Wines - 14% and under	30,133.25	.07	2,109.33		
22.	Bottle Sales Line 13	36,360	.01 Ea	363.60		
23.	Total - Lines 18 to 22				5,187.69	
24.	Less Credits				--------	
25.	Total - Lines 23 & 24				5,187.69	
26.	Net Tax Due Total Line 17 & 25					$ 12,054.62

For Department Use Only

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DETAIL OF PURCHASES

SECTION I — **PURCHASES DURING MONTH**

DATE	FROM WHOM PURCHASED	MANIFEST NUMBER	DISTILLED SPIRITS	CHAMPAGNE AND WINES OVER 24%	WINES			NUMBER OF BOTTLES	NUMBER OF LIQUOR MINIATURES
					over 21% to 24%	over 14% to 21%	14% and under		
			LITERS	LITERS	LITERS	LITERS	LITERS		
1-07	Quality Distillers	F6001	4,363.07					5,376	3,000
1-15	Acme Company	Q4702		2,508.00				3,300	
1-20	Zenith Distillers	P7304					29406.91	29,748	
1-28	Vintage Company	S3471			126.90			180	
TOTAL PURCHASES			4,363.07	2,508.00	126.90		29406.91	38,604	3,000
LESS BREAKAGE			11.34				9.27	24	
			4,351.73	2,508.00	126.90		29397.64	38,580	3,000

If Additional Space Is Required Use Supplemental Sheets.

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DETAILS OF TAX EXEMPTIONS

SECTION 5 **SHIPMENTS TO WHOLESALERS**

DATE	TO WHOM SHIPPED	INVOICE NUMBER	DISTILLED SPIRITS	CHAMPAGNE AND WINES OVER 24%	WINES			NUMBER OF BOTTLES	NUMBER OF LIQUOR MINIATURES
					over 21% to 24%	over 14% to 21%	14% and under		
			LITERS	LITERS	LITERS	LITERS	LITERS		
1-08	Smith Wholesale	87	370.26					612	
1-22	PDQ Liquor & Wine Co.	95		683.92				900	
1-25	Rose Wholesale Wine	122					9.26	12	
TOTALS CARRIED FORWARD TO LINE 5			370.26	683.92			9.26	1,524	

SECTION 6 **MISCELLANEOUS TAX EXEMPTIONS** *{Sacramental Sales, Common Carriers, Military Posts}*

1-09	JKL Airline	90	90.72					120	1,560
1-14	USAF Air Base	94					27.13	36	
TOTALS CARRIED FORWARD TO LINE 6			90.72				27.13	156	1,560

If Additional Space Is Required Use Supplemental Sheets

Page 4

DETAIL OF TAX EXEMPTIONS – Continued

SECTION 7 **SHIPMENTS TO DEALERS AND DISTILLERIES OUT OF STATE**

DATE	TO WHOM SHIPPED	INVOICE NUMBER	DISTILLED SPIRITS	CHAMPAGNE AND WINES OVER 24%	WINE			NUMBER OF BOTTLES	NUMBER OF LIQUOR MINIATURES
					over 21% to 24%	over 14% to 21%	14% and under		
			LITERS	LITERS	LITERS	LITERS	LITERS		
1-20	Hawkeye Inc.	120	113.40					240	
1-25	Prairie Wholesale	125				165.44		248	
1-29	Fox Company	130			26.43			36	
TOTALS CARRIED FORWARD TO LINE 7			113.40		26.43	165.44		524	

SECTION 8 **AUTHORIZED BREAKAGE/SUPERVISED DESTRUCTION**

DATE	INSPECTOR WHO SUPERVISED DESTRUCTION	AFFIDAVIT NUMBER	DISTILLED SPIRITS	CHAMPAGNE AND WINES OVER 24%	WINE			NUMBER OF BOTTLES	NUMBER OF LIQUOR MINIATURES
					over 21% to 24%	over 14% to 21%	14% and under		
			LITERS	LITERS	LITERS	LITERS	LITERS		
1-22	A. Q. Jones	874		24.59	119.27			36	
TOTALS CARRIED FORWARD TO LINE 8				24.59	119.27			36	

This report shall be submitted and the tax paid to the Commissioner of Revenue by the 10th day of the month following the First Sale. The following penalties are provided for late or fraudulent reporting.

Minnesota Statutes Chapter 340 provides that:

A five percent per month penalty shall be imposed unless the report is submitted and the tax paid in the designated time.
Any person who shall file a fraudulent report shall be subject to a penalty equivalent to the sum of 100 per cent of the amount of tax evaded.

The affiant is familiar with the statements made herein and knows them to be true and correct to the best of his knowledge, and that the same complies with the Laws and Regulations of the State of Minnesota. The affiant further states that he is familiar with the provisions of Minnesota Statutes Chapter 340.

Subscribed and sworn to before me this _____

day of _____ 19 _____

_____ Notary Public.

_____ County, Minn.

My commission expires _____

Signed,

ABC LIQUOR WHOLESALE COMPANY
Name of Firm

S/S. S. Smith, President
(Authorized Signature) Title

LB Form 37 (Rev. 6/78)

MONTHLY REPORT OF DISTILLED SPIRITS AND WINES SHIPPED INTO MINNESOTA
(METRIC)

DUE BY THE 10TH OF EACH MONTH

MINNESOTA DEPARTMENT OF REVENUE
Alcohol, Tobacco and Special Taxes Division
Centennial Office Building
St. Paul, Minnesota 55145

MONTH OF: JANUARY 19 78

NAME: ZENITH DISTILLERS INC.

ADDRESS	CITY	STATE	ZIP CODE
2704 Peters Street	Fresno	California	97002

This report must be submitted to the Commissioner of Revenue not later than the 10th day after the close of the calendar month by all Distillers, Rectifiers, Importers, Winers, etc. who ship Distilled Spirits and Wines into the State of Minnesota.

			Distilled Spirits	Champagnes and Sparkling Wines	WINES		No. of Bottles	No. of Cases
					Over 14%	14% or Less		
Date	To Whom Shipped	Invoice No.	Liters	Liters	Liters	Liters	Total	Total
1-7-78	Smith Wholesale Co. Minneapolis, Mn.	10429	9,298.80				9,840	820
1-9-78	PDQ Liquor & Wine Co. St. Paul, Mn.	10500		243.20	1,451.36	21,230.46	20,208	1,684
1-15-78	Howard Liquor Co. Duluth, Mn.	11777			29,959.68	2,692.16	30,860	2,790
1-20-78	ABC Wholesale Liquor St. Paul, Mn.	12031				29,406.91	29,748	1,708
	TOTALS		9,298.80	243.20	31,411.04	53,329.53	90,656	7,002

List each shipment separately. If additional space is needed sub total here and continue on reverse side.

AFFIDAVIT

I declare under the penalties of perjury that this report has been examined by me and to the best of my knowledge and belief is true, correct and complete.

February 8, 1978
Date

S/ J. J. Jones
Signature

Date

DO NOT WRITE IN THIS SPACE

Check _____

Cash _____

LB Form 128 (Rev. 3/75)

STATE OF MINNESOTA
DEPARTMENT OF REVENUE
CENTENNIAL OFFICE BUILDING
ST. PAUL, MINNESOTA 55145

TAX REMITTANCE COVER SHEET

MONTH OF JANUARY 19 78

We herein transmit to the Commissioner of Revenue from:

Name

YORK BREWING CO. #12345678

Address

348 BROADWAY MPLS MINN

Zip Code 55413

check, bank draft, or money order in payment of taxable sales for malt beverages shipped into or sold within the State of Minnesota in accordance with M.S. 340.47, Subd. 2.

Taxable sales of 392.90 barrels of beer containing less than 3.2% alcohol by weight

@ $2.00 per barrel ..... Tax $ 785.80

LESS CREDIT 1ST 75M BBLS 785.80

-0-

Taxable sales of 3036.93 barrels of beer containing more than 3.2% alcohol by weight

@ $4.00 per barrel ..... Tax $ 12,147.70

LESS CREDIT 1ST 75M BBLS 6,073.85

Total Tax Payment ..... $ 6,073.85

This payment is accompanied by tax reports and returns, LB forms 51 and 52 or 88 and 89 as required by law and regulations.

Date	Signature	Title
2/8/78	S/ R. J. Johnson	Vice President

LB Form 51 (Rev. 10/73)

DO NOT WRITE IN THIS SPACE

Check _____

Cash _____

Rec'd. _____

Rec'd by Cashier _____

MONTHLY REPORT AND TAX RETURN

OUT-STATE BREWERS AND WHOLESALE DISTRIBUTORS
FERMENTED MALT BEVERAGES (OVER 3-2)

DUE BY THE 15th OF EACH MONTH

STATE OF MINNESOTA
DEPARTMENT OF REVENUE
Centennial Office Building
St. Paul, Minnesota 55145

MONTH OF JANUARY 1978

NAME: SUMMIT BREWING CO. #1234569

ADDRESS	CITY	STATE	ZIP CODE
123 PARK ROAD	MILW	WISC	53203

This report and return shall be filed with the Commissioner of Revenue, after the close of each month, and not later than the 15th, by all out-state brewers and wholesale distributors who import into Minnesota. Late filing and payment result in 10% penalty and 1% interest per month on amount due.

RECORD OF TAXABLE SHIPMENTS INTO MINNESOTA AND COMPUTATION OF TAX

DESCRIPTION	QUANTITY	VALUE	TAX	
1 Barrel		$4.00		
½ Barrel	200	2.00	400	00
¼ Barrel	100	1.00	100	00
1/8 Barrel		.50		
6/128 oz. cs.		.77416		
48/12 oz. cs.		.58064		
12/32-24/16 oz. cs.		.38708		
24/12-36/8 oz. cs. 1/288-2/144 oz. ctn.	500	.29032	145	16
4/64 oz. cs.		.25804		
36/7 oz. cs.		.25404		
35/7 oz. cs.		.24696		
24/8 oz. cs.		.19356		
24/7 oz. cs.		.16936		
12/12-1/144 oz. ctn.	1000	.14516	145	16
1/128 oz. (1 gal.) ctn.		.12904		
Total Tax for Over 3.2 Beer			790	32

AFFIDAVIT

I declare, under the penalties of perjury and evasion, that I am familiar with the books, papers, and records of the business from which this return was prepared, that this report and return has been examined by me and to the best of my knowledge and belief is true, correct and complete.

FEBRUARY 13, 1978 (Date) S/ D. H. Green (Signature) Vice-President (Title)

NOTE:
Report taxable shipments of imports into Minnesota by showing the individual monthly total of each account. Date of the importer's invoice will determine the month for reporting.

MONTH OF JANUARY, **19** 78

Blank out any unused column if needed to conform with package and tax rate on the face of report.

REPORT OF TAXABLE SHIPMENTS INTO MINNESOTA

FERMENTED MALT BEVERAGES OVER 3.2% OF ALCOHOL BY WEIGHT

Date	To Whom Shipped—Wholesalers	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	6/128 oz.	48/12 oz.	12/32 oz. 24/16 oz.	1/288 oz. 2/144 oz. 24/12 oz. 12/24 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.
	State Name City													
	ISLAND DISTRIB		75	25					200					300
	KING WHOLESALERS		75	50					150					350
	BLACK DISTRIB		50	25					150					350

	TOTAL TAXABLE IMPORTS		200	100					500					1000

REPORT OF NON TAX-PAID SHIPMENTS INTO MINNESOTA

Non tax-paid shipments into Minnesota will be grouped for each account and listed chronologically. Each shipment claimed exempt must be supported by an affidavit or by a duplicate of the invoice showing non-payment of tax and claim of exemption prepared and filed with the Commissioner at time of shipment.

Date	To Whom Shipped—Wholesalers													
	SMITH DISTRIBUTING For USAF AIR BASE INVOICE #00013								50					

LB Form 52 (Rev. 11/73)

STATE OF MINNESOTA
DEPARTMENT OF REVENUE
SPECIAL TAXES DIVISION
Centennial Office Building
St. Paul, Minnesota 55145

OUT-STATE BREWERS AND WHOLESALE DISTRIBUTORS
MONTHLY REPORT AND TAX RETURN
FERMENTED MALT BEVERAGES (NOT OVER 3.2)

DUE BY THE 15TH OF EACH MONTH

MONTH OF JANUARY 19 78

NAME: SUMMIT BREWING CO. #1234569

ADDRESS	CITY	STATE	ZIP CODE
123 PARK ROAD	MILW	WISC.	53203

This report must be filed with the Commissioner of Revenue after the close of each Calendar month, and not later than the 15th, by all out-state brewers and wholesale distributors who import into Minnesota. Late filing and payment result in 10% penalty and 1% interest per month on amount due.

RECORD OF TAXABLE SHIPMENTS INTO MINNESOTA AND COMPUTATION OF TAX

DESCRIPTION	QUANTITY	VALUE	TAX	
1 Barrel		$2.00		
½ Barrel	100	1.00	100	00
¼ Barrel	200	.50	100	00
1/8 Barrel		.25		
6/128 oz. cs.		.38708		
48/12 oz. cs.		.29032		
12/32-24/16 oz. cs.		.19354		
24/12-36/8 oz. cs. 1/288-2/144 oz. ctn.	1000	.14516	145	16
4/64 oz. cs.		.12902		
36/7 oz. cs.		.12702		
35/7 oz. cs.	80	.12348	9	88
24/8 oz. cs.		.09678		
24/7 oz. cs.		.08468		
12/12-1/144 oz. ctn.	3000	.07258	217	74
1/128 oz. (1 gal.) ctn.		.06452		
Total Tax for 3.2 Beer			572	78

AFFIDAVIT

I declare, under the penalties of perjury and evasion, that I am familiar with the books, papers, and records of the business from which this return was prepared, that this report and return has been examined by me and to the best of my knowledge and belief is true, correct and complete.

FEBRUARY 13, 1978	S/ D. H. Green	Vice President
Date	Signature	Title

NOTE:
Report taxable shipments of imports into Minnesota by showing the individual monthly total of each account. Date of the importer's invoice will determine the month for reporting.

MONTH OF JANUARY, 19 78

Blank out any unused column if needed to conform with package and tax rate on the face of report.

REPORT OF TAXABLE SHIPMENTS INTO MINNESOTA

FERMENTED MALT BEVERAGES NOT OVER 3.2% OF ALCOHOL BY WEIGHT

Date	To Whom Shipped—Wholesalers	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	6/128 oz.	48/12 oz.	12/32 oz. 24/16 oz.	1/288 oz. 2/144 oz. 24/12 oz. 12/24 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.
	State													
	Name City													
	ISLAND DIST.		50	125					600	80				1800
	KING WHOLES.		50	75					400					1200

	TOTAL TAXABLE IMPORTS		100	200					1000	80				3000

REPORT OF NON TAX-PAID SHIPMENTS INTO MINNESOTA

Non tax-paid shipments into Minnesota will be grouped for each account and listed chronologically. Each shipment claimed exempt must be supported by an affidavit or by a duplicate of the invoice showing non-payment of tax and claim of exemption prepared and filed with the Commissioner at time of shipment.

Date	To Whom Shipped—Wholesalers													

LB Form 88 (Rev. 6/77)

STATE OF MINNESOTA
Department of Revenue
Alcohol, Tobacco and Special Taxes Division
Centennial Office Building
St. Paul, Minnesota 55145

MINNESOTA MANUFACTURERS OF BEER — MONTHLY REPORT AND TAX RETURN

FERMENTED MALT BEVERAGES - (NOT OVER 3.2%)

For Month of JANUARY 19 78

Filed by YORK BREWING CO. 12345678 Address 348 BROADWAY City MPLS Zip 55413

This report and return shall be filed with the Department of Revenue, St. Paul, Minnesota, after the close of each calendar month, and not later than the 15th, by all manufacturing brewers located in the State of Minnesota. Late filing and payment result in 10% penalty and 1% interest per month on tax due.

RECORD OF PACKAGES PRODUCED AND DISPOSITION

Not Over 3.2%	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	24/16 oz. 12/32 oz. 6/64 oz.	24/12 oz. 12/24 oz. 36/8 oz.		A. 35/7 oz. B. 36/7 oz.	24/8 oz.	24/7 oz.	12/12 oz. Carton	Total Barrels
1. Inventory—First of Month		2					1000						73.58
2. Produced during Month		80					6000						475.48
3. Total		82					7000						549.06
Deduct non taxable													
4. Inventory End of Month		22					2000						156.16
5. Consumed on Premises													
6. Shipments Out of State Other items (specify)													
7. *													
8. *													
9. Total Deductions		22					2000						156.16
10. *Taxable Sales within State		60					5000						392.90

COMPUTATION OF MINNESOTA EXCISE TAX (Beer not over 3.2%)

Tax Rates ($2.00 per bbl.)	$2.00	$1.00	.50	.25	.29032	.19354	.14516		A. .12348 B. .12702	.09678	.08468	.07258	Total
11. Tax (Multiply line 10 by tax rate)		60.00					725.80						785.80
												Less Cr. 1st 75M Bbls	785.80
12. Total Tax Payment for Beer Sold in Minnesota Containing Not More Than 3.2% of Alcohol by Weight.													-0-

AFFIDAVIT

I declare, under the penalties of perjury and evasion, that I am familiar with the books, papers, and records of the business from which this return was prepared, that this report and return has been examined by me and to the best of my knowledge and belief is true, correct and complete.

2/8/78
Date

S/ R. J. Johnson
Signature

Vice President
Title

*Supply detail for lines 7, 8 and 10 on next page.

Month of JANUARY 19 78

REPORT OF TAXABLE SALES WITHIN MINNESOTA

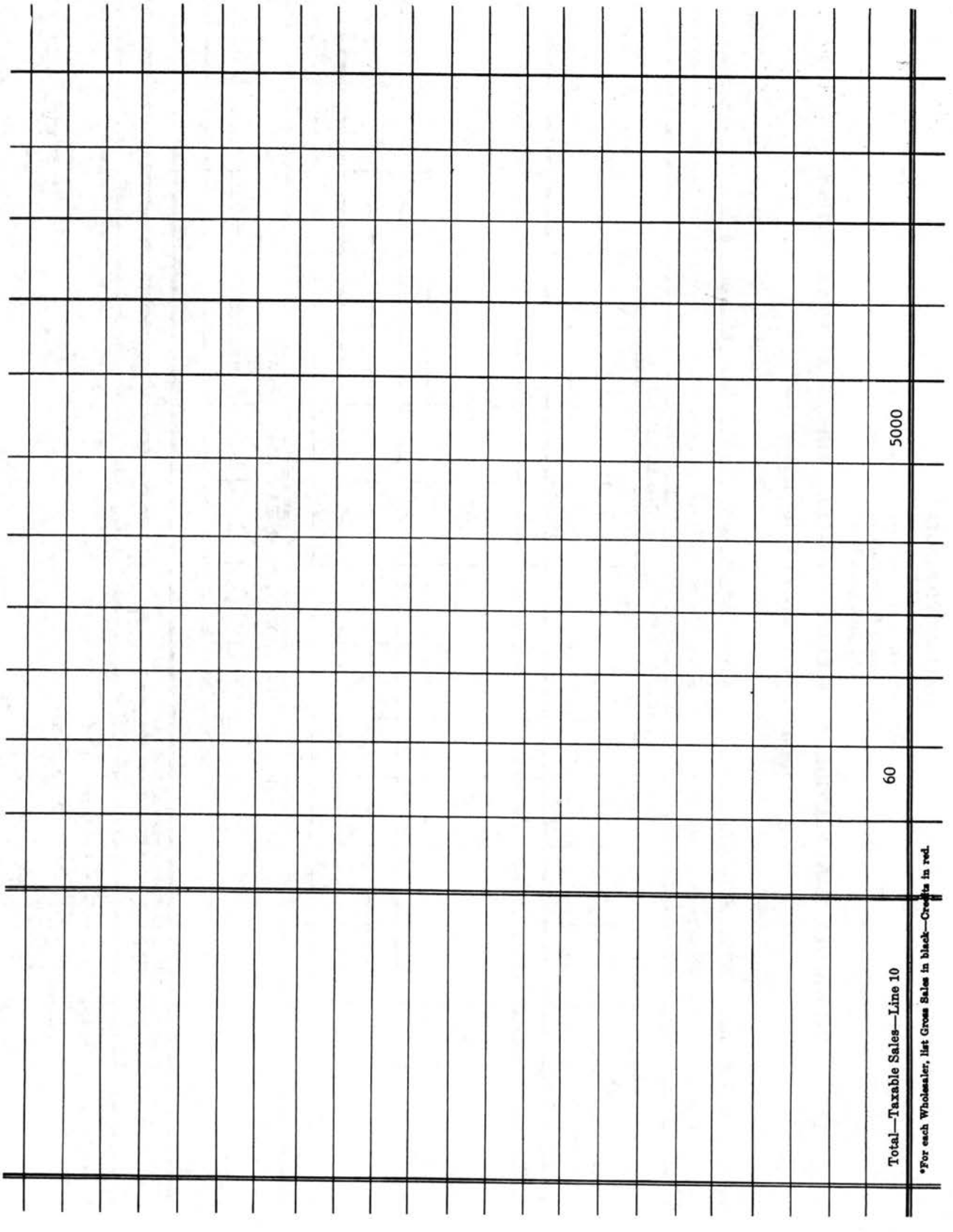
FERMENTED MALT BEVERAGES NOT OVER 3.2% OF ALCOHOL BY WEIGHT

NOTE:

Sales to railroads will be listed chronologically for each. The same applies to any other exempt sales.

Filed by YORK BREWING CO.

To Whom Shipped	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	24/16 oz. 12/32 oz. 6/64 oz.	24/12 oz. 12/24 oz. 36/8 oz.		A. 35/7 oz. B. 36/7 oz.	24/8 oz.	24/7 oz.	12/12 oz. Carton
Tax Exemptions Claimed												
Name City												
Total (Lines 7 and 8)												
Total Sales to Retailers												
Total Sales to Consumers												
*Sales to Wholesalers (Monthly Totals for each)												
Name City												
KING WHLSE		60					5000					


5000
60
Total—Taxable Sales—Line 10
*For each Wholesaler, list Gross Sales in black—Credits in red.

LB Form 89 (Rev. 6/77)

STATE OF MINNESOTA
Department of Revenue
Alcohol, Tobacco and Special Taxes Division
Centennial Office Building
St. Paul, Minnesota 55145

MINNESOTA MANUFACTURERS OF BEER — MONTHLY REPORT AND TAX RETURN

FERMENTED MALT BEVERAGES (OVER 3.2%)

For Month of January 1978

Filed by YORK BREWING COMPANY #12345678 Address 348 Broadway City Minneapolis Zip 55413

This report and return shall be filed with the Department of Revenue, St. Paul, Minnesota, after the close of each calendar month, and not later than the 15th, by all manufacturing brewers located in the State of Minnesota. Late filing and payment result in 10% penalty and 1% interest per month on tax due.

RECORD OF PACKAGES PRODUCED AND DISPOSITION

Over 3.2%	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	24/16 oz. 12/32 oz. 6/64 oz.	24/12 oz. 12/24 oz. 36/8 oz.		A. 35/7 oz. B. 36/7 oz.	24/8 oz.	24/7 oz.	12/12 oz. Carton	Total Barrels
1. Inventory—First of Month		500	250	200			3,000					6,000	772.98
2. Produced during Month		3,000	800	500			10,000					10,000	2851.20
3. Total		3,500	1,050	700			13,000					16,000	3624.18
Deduct non taxable													
4. Inventory End of Month		300	100	100			2,000					5,000	514.11
5. Consumed on Premises		5					10						3.22
6. Shipments Out of State Other items (specify)		50	20				500						66.29
7.* Military							50						3.63
8.*													
9. Total Deductions		355	120	100			2,560					5,000	587.25
10. *Taxable Sales within State		3,145	930	600			10,440					11,000	3036.93

COMPUTATION OF MINNESOTA EXCISE TAX (Beer over 3.2%)

Tax Rates ($4.00 per bbl.)	$4.00	$2.00	$1.00	.50	.58064	.38708	.29032		A. .24696 B. .25404	.19356	.16936	.14516	Total
11. Tax (Multiply line 10 by tax rate)		6290.00	930.00	300.00			3030.94					1596.76	12,147.70
												Less $2.00 credit on 1st 75M Barrels	6,073.85
12. Total Tax Payment for Beer Sold in Minnesota Containing More Than 3.2% of Alcohol by Weight.													6,073.85

AFFIDAVIT

I declare, under the penalties of perjury and evasion, that I am familiar with the books, papers, and records of the business from which this return was prepared, that this report and return has been examined by me and to the best of my knowledge and belief is true, correct and complete.

February 8, 1978 — Date

S/R. J. Johnson — Signature

Vice President — Title

*Supply detail for lines 7, 8 and 10 on next page.

S89 - Supplement to Form 89

STATE OF MINNESOTA

Liquor Control Commissioner

File in Duplicate

Month of January 19 78

State of North Dakota

REPORT OF OUT-STATE SHIPMENTS

FERMENTED MALT BEVERAGES (Over 3.2%)

NOTE: Report out-of-state shipments by states showing the individual monthly totals of each account.

Reported by YORK BREWING COMPANY

To Whom Shipped	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz. 6/64 oz. 24/16 oz.	24/12 oz. 12/24 oz. 36/8 oz.	4/64 oz. Picnic	36/7 oz.	24/8 oz.	24/7 oz.	12/12 oz. Carton
Name City												
North Dakota Dist. Co.												
Fargo, North Dakota												
Invoice #00376		50	20				500					
TOTAL		50	20				500					

Month of January 19 78

REPORT OF TAXABLE SALES WITHIN MINNESOTA

FERMENTED MALT BEVERAGES OVER 3.2% OF ALCOHOL BY WEIGHT

NOTE:

Sales to railroads will be listed chronologically for each. The same applies to any other exempt sales.

Filed by YORK BREWING COMPANY

To Whom Shipped	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	24/16 oz. 12/32 oz. 6/64 oz.	24/12 oz. 12/24 oz. 36/8 oz.		A. 35/7 oz. B. 36/7 oz.	24/8 oz.	24/7 oz.	12/12 oz. Carton
Tax Exemptions Claimed												
Name City												
King Distributing Company						50						
Total (Lines 7 and 8)						50						
Total Sales to Retailers												
Total Sales to Consumers												
*Sales to Wholesalers (Monthly Totals for each)												
Name City												
King Wholesale	900	400	200			4,000						3,000
Minneapolis, Mn.												
Ace Distributing Company	1,100	300	200			5,000						4,000
St. Paul, Mn.												

| | | |

LB-52C (Rev. 6-78)
(Supplement to LB-51)

WHOLESALERS MONTHLY REPORT TAX PAID FERMENTED MALT BEVERAGES

OVER 3.2% ALCOHOL

USE REVERSE SIDE FOR NOT OVER 3.2%

MINNESOTA DEPARTMENT OF REVENUE
ALCOHOL, TOBACCO AND SPECIAL TAXES DIVISION
Centennial Office Building
St. Paul, Minnesota 55145

DUE BY THE 15TH OF EACH MONTH

MONTH OF: January 19 78

NAME: King Wholesale Company #2345678

ADDRESS	CITY	STATE	ZIP CODE
120 Broadway Street	Minneapolis	Minnesota	55418

This report must be filed with the Commissioner of Revenue after the close of each calendar month, and not later than the 15th, by all distributors, and wholesalers licensed to sell fermented malt beverages in Minnesota. Report tax paid purchases by showing the monthly total purchased from each brewer or supplier. The date of the brewer's invoice will determine the month of reporting.

PURCHASES FROM MINNESOTA AND OUT-STATE BREWERS AND DISTRIBUTORS

From Whom Purchased	Half Barrel	Quarter Barrel	Eighth Barrel	12/32 oz 24/16 oz	24/12oz 36/8 oz 1/288 oz 2/144 oz	48/7 oz	36/7 oz	35/7 oz	32/7 oz	24/8 oz	24/7 oz	12/12 oz 1/144 oz	1/128 oz Gallon
Summit Brewery	75	50			150							350	
York Brewery Company	900	400	200		4000							3000	
Total	975	450	200		4150							3350	

RECORD OF TAX PAID INVENTORY, PURCHASES AND SALES

Over 3.2%	Half Barrel	Quarter Barrel	Eighth Barrel	12/32 oz 24/16 oz	24/12oz 36/8 oz 1/288 oz 2/144 oz	48/7 oz	36/7 oz	35/7 oz	32/7 oz	24/8 oz	24/7 oz	12/12 oz 1/144 oz	1/128 oz Gallon
1. Inventory - First of Month	0	10	8		100							10	
2. Purchased During Month (add)	975	450	200		4150							3350	
3. Total	975	460	208		4250							3360	
4. Sales Within State	900	450	188		4000							3300	
5. On Hand End of Month	75	10	20		250							60	

I declare under the penalties of perjury that this report has been examined by me and to the best of my knowledge and belief is true, correct, and complete.

February 8, 1978
Date

S/J. J. King
Authorized Signature

President
Title

LB-52C (Rev. 6-78)
(Supplement to LB-51)

WHOLESALERS MONTHLY REPORT TAX PAID FERMENTED MALT BEVERAGES

NOT OVER 3.2% ALCOHOL

USE REVERSE SIDE FOR OVER 3.2%

MINNESOTA DEPARTMENT OF REVENUE
ALCOHOL, TOBACCO AND SPECIAL TAXES DIVISION
Centennial Office Building
St. Paul, Minnesota 55145

DUE BY THE 15TH OF EACH MONTH

MONTH OF: January 19 78

NAME: King Wholesale Company #2345678

ADDRESS	CITY	STATE	ZIP CODE
120 Broadway Street	Minneapolis	Minnesota	55418

This report must be filed with the Commissioner of Revenue after the close of each calendar month, and not later than the 15th, by all distributors, and wholesalers licensed to sell fermented malt beverages in Minnesota. Report tax paid purchases by showing the monthly total purchased from each brewer or supplier. The date of the brewer's invoice will determine the month of reporting.

PURCHASES FROM MINNESOTA AND OUT-STATE BREWERS AND DISTRIBUTORS

From Whom Purchased	Half Barrel	Quarter Barrel	Eighth Barrel	12/32 oz 24/16 oz	24/12 oz 36/8 oz 1/288 oz 2/144 oz	48/7 oz	36/ 7 oz	35/7 oz	32/7 oz	24/8 oz	24/7 oz	12/12 oz 1/144 oz	1/128 oz Gallon
Summit Brewery	50	75			400							1200	
York Brewery	60				5000								
Total	110	75			5400							1200	

RECORD OF TAX PAID INVENTORY, PURCHASES AND SALES

Not Over 3.2%	Half Barrel	Quarter Barrel	Eighth Barrel	12/32 oz 24/16 oz	24/12oz 36/8 oz 1/288 oz 2/144 oz	48/7 oz	36/7 oz	35/7 oz	32/7 oz	24/8 oz	24/7 oz	12/12 oz 1/144 oz	1/128 oz Gallon
1. Inventory - First of Month	0	8			100							0	
2. Purchased During Month (add)	110	75			5400							1200	
3. Total	110	83			5500							1200	
4. Sales Within State	100	43			5300							1200	
5. On Hand End of Month	10	40			200							0	

I declare under the penalties of perjury that this report has been examined by me and to the best of my knowledge and belief is true, correct, and complete.

February 8, 1978 — Date

S/J. J. King — Authorized Signature

President — Title

LB Form 66 (Rev. 10/73)

WHOLESALERS MONTHLY REPORT
NON TAX-PAID FERMENTED MALT BEVERAGES

DUE BY THE 15th OF EACH MONTH

STATE OF MINNESOTA
DEPARTMENT OF REVENUE
Centennial Office Building
St. Paul, Minnesota 55145

MONTH OF: January 19 78

NAME: KING WHOLESALERS #2345678

ADDRESS	CITY	STATE	ZIP CODE
120 Broadway Street	Minneapolis	Minnesota	55418

This report must be filed with the Commissioner of Revenue, after the close of each calendar month, and not later than the 15th, by all licensed wholesalers who sell non tax-paid fermented malt beverages.

RECORD OF NON TAX-PAID INVENTORY, PURCHASES AND SALES

Not Over 3.2%	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz. 24/16 oz.	24/12 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.
1. On Hand First of Month												
2. Purchased During Month												
3. Total to be Accounted for												
4. Untaxed Sales a. To Out of State Retailers												
b. To Out of State Wholesalers												
c. Military Posts and Railroads												
5. Total of 4a, 4b, and 4c.												
6. Balance on Hand End of Month												

Over 3.2%	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz 24/16 oz.	24/12 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.
1. On Hand First of Month							-0-					
2. Purchased During Month							50					
3. Total to be Accounted for							50					
4. Untaxed Sales a. To Out of State Retailers												
b. To Out of State Wholesalers												
c. Military Posts and Railroads							50					
5. Total of 4a, 4b, and 4c.												
6. Balance on Hand End of Month							-0-					

AFFIDAVIT

I declare, under the penalties of perjury and evasion, that I am familiar with the books, papers, and records of the business from which this return was prepared, that this report and return has been examined by me and to the best of my knowledge and belief is true, correct and complete.

February 14, 1978 (Date) S/J. J. King (Signature) President (Title)

SEE INSTRUCTIONS PAGE 4.

PURCHASES OF NON TAX-PAID FERMENTED MALT BEVERAGES

The date of the brewers invoice will determine the month of reporting.

Date	Not Over 3.2% Whom	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz. 24/16 oz.	24/12 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.
	Total												

Date	Over 3.2% Whom	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz. 24/16 oz.	24/12 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.
6	York Brewery							50					
	Total							50					

TOTALS TO BE CARRIED TO ITEM NUMBER 2 ON FACE.

SALES OF NON TAX-PAID FERMENTED MALT BEVERAGES

Date	Not Over 3.2% To Whom Sold	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz. 24/16 oz.	24/12 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.
	4a. Out of State Retailers Total												
	4b. Out of State Wholesalers Monthly Total for Each												
	Total												
	4c. Military Posts and Railroads Name and Dates for each Purchaser												
	Total												

Date	Over 3.2% To Whom Sold	Barrels	Half Barrels	Quarter Barrels	Eighth Barrels	48/12 oz.	12/32 oz. 24/16 oz.	24/12 oz. 36/8 oz.	36/7 oz.	35/7 oz.	24/8 oz.	24/7 oz.	12/12 oz.
	4a. Out of State Retailers Total												
	4b. Out of State Wholesalers Monthly Total for Each												
	Total												
	4c. Military Posts and Railroads Name and Dates for each Purchaser												
8	USAF Air Base							50					
	St.Paul-Minneapolis												
	Building #7												
	Total							50					

SPECIFY LINE 4a, 4b, OR 4c AS PER INSTRUCTIONS ON PAGE 4 AND ENTER TOTALS ON PAGE 1.

INSTRUCTIONS

Report of Non Tax-Paid Fermented Malt Beverages

General: This report must be filed for each calendar month in which the wholesaler has inventory, purchases or sales of non tax-paid fermented malt beverages.

The report will not be filed by wholesalers who have had no dealings in non tax-paid beer.

DIRECTIONS FOR USE OF ITEM LINES ON PAGES 1, 2 and 3.

Item

1. The inventory on hand at close of business of preceding month.
2. On page 2 of report, fill in by date the amount of unstamped beer purchased, and the total at bottom of page 2 is carried to face of report as Item 2. The date of the brewer's invoice will determine the month for reporting.
3. Totals of Item 1 and Item 2.
4. Non tax-paid sales claimed exempt from tax to be shown in the following detail on page 3.
   a. Give total monthly sales to out-of-state retailers by states, naming each state.
   b. Give sales to out-of-state wholesalers, naming the state and the buyer and the monthly total sales to each.
   c. Give non tax-paid sales to buyers such as railroads with dining or club car service, or to military organizations such as the Fort Snelling Post Exchange, which has been recognized as exempt. Name each buyer and date of each sale to it.
5. Totals of 4a, b, and c. Subtract this item from Item 3, which will give you --
6. Balance on hand end of month.

LB Form 123 (Rev. 6/78)

COMMON CARRIER MONTHLY REPORT AND TAX RETURN (METRIC)

DO NOT WRITE IN THIS SPACE
Check
Cash
Rec'd
Rec'd by Cashier

DUE BY THE 10TH OF EACH MONTH

STATE OF MINNESOTA
DEPARTMENT OF REVENUE
Centennial Office Building
St. Paul, Minnesota 55145

MONTH OF January 19 78

NAME: J K L AIRLINE INC.

ADDRESS: International Airport | CITY: Bloomington | STATE: Minnesota | ZIP CODE: 55111

This report must be submitted to the Commissioner of Revenue not later than the 10th day of the succeeding month, by all Common Carriers who sold Distilled Spirits, Wines and Fermented Malt beverages to passengers being transported while within the State of Minnesota, in accordance with Chapter 340, Minnesota Statutes.

Item	Excise Tax	Quantity	Total Amount
Liquor	$1.16 Liter	24.57	28.50
Champagne Sparkling Wine	.81 Liter	———	
Wine Over 14% To 21%	.21 Liter	———	
Wine 14% And Under	.07 Liter	———	
Miniatures	.12 ea.	35	4.20
		Total Tax on Liquors & Wines	32.70

Fermented Malt Beverages	Rate	Quantity	Tax per unit	Amount
Beer Containing less than 3.2% alcohol	$2.00 Bbl.	Case 24-12 oz.	$.14516	$ ———
		12 oz. Bottle	.00605	———
Beer Containing more than 3.2% alcohol	$4.00 Bbl.	Case 24-12 oz. 3	.29032	.87
		12 oz. Bottle	.01210	———

Total Tax on Beer $ .87

Check Number

Total Tax Payment ..... $ 33.57

AFFIDAVIT

I declare, under the penalties of perjury and evasion, that I am familiar with the books, papers, and records of the business from which this return was prepared, that this report and return has been examined by me and to the best of my knowledge and belief is true, correct and complete.

Feb. 8, 1978 (Date) S/ W. W. White (Signature) Vice-President (Title)

STATE CONTRACTS

Pursuant to the provisions of Laws of 1978, ch. 480, an agency must make reasonable effort to publicize the availability of any consultant services contract or professional and technical services contract which has an estimated cost of over $2,000.

Department of Administration procedures require that notice of any consultant services contract or professional and technical services contract which has an estimated cost of over $10,000 be printed in the *State Register*. These procedures also require that the following information be included in the notice: name of contact person, agency name and address, description of project and tasks, cost estimate, and final submission date of completed contract proposal.



The snowshoe hare's large, furry feet enable it to travel on top of deep snow in the swamps and woods it inhabits. Its coat is yellowish-brown in summer, turning to white for fall and winter. The hare usually sits under a tree or by an old log during the day, coming out into open areas to feed at night. It may nibble the frozen meat bait from traps, and can be destructive to small pine plantations, but probably does little real damage. (Drawing by Dan Metz, courtesy of Department of Natural Resources)

Department of Health Crippled Children Services

Notice of Availability of Contract for Social Work Services

The Minnesota Department of Health, Crippled Children Services, would like to contract with a social worker to provide counseling at field clinics and do pre- and post-clinic planning.

Qualified, interested persons should contact:

Alpha Adkins, Assistant Director
Crippled Children Services
717 S.E. Delaware
Minneapolis, Minnesota 55440

Applications must be received by November 30, 1978.

Department of Health Environmental Health Division

Notice of Request for Proposals for Scientific Consultant Services

The Minnesota Department of Health is requesting proposals from consultants to perform the following function:

Conduct an environmental monitoring program to measure and characterize the electrical environment associated with the CU-TR-1 transmission line. This is a ± 400 kilovolt direct current transmission line constructed by the Cooperative Power Association and the United Power Association. It runs from the North Dakota border in Traverse County to the Dickinson Converter Station near Delano, Minnesota.

The project period is undetermined at this time. Approximately $50,000.00 is available for this project. Final proposal submission date will be December 1, 1978. Persons wishing the Request for Proposal package as well as persons submitting proposals should contact: Larry D. Gust, Research Scientist, Section of Health Risk Assessment, Minnesota Department of Health, 717 S.E. Delaware Street, Minneapolis, Minnesota 55440, telephone (612) 296-5508.

Department of Public Welfare
Chemical Dependency Division

Notice of Request for Proposals for Prevention Coordination Contract

The Chemical Dependency Programs Division of the Department of Public Welfare is accepting proposals for up to $32,000 for a Prevention Coordinator contract with work expected to commence on January 1, 1979 and continue through September 28, 1979. This work would be contracted from the State Alcohol and Drug Authority. Copies of the Request for Proposals are available from the state by contacting Mr. Richard Neuner, 4th floor, Centennial Office Building, St. Paul, MN 55155. All proposals are due in the Chemical Dependency Division Office by no later than 4:30 p.m. on the day of November 13, 1978.

Department of Public Welfare
Mental Health Bureau

Notice of Request for Proposals Concerning Cost Containment Measures within the State Hospital Nursing Home System

Notice is hereby given that the Department of Public Welfare, Mental Health Bureau, is soliciting professional assistance in implementing a pilot project focusing on more efficient utilization of support staff involved in laundry, dietary, housekeeping and maintenance functions at Ah-Gwah-Ching Nursing Home, Brainerd State Hospital, and Fergus Falls State Hospital. Cost estimate is not to exceed $200,000.

Responders interested in obtaining additional information regarding the specific scope of the project should contact:

Harvey G. Caldwell
Assistant Commissioner
Mental Health Bureau
Department of Public Welfare
4th Floor, Centennial Office Building
658 Cedar Street
St. Paul, Minnesota 55155
Telephone: (612) 296-2791

All proposals must be received by 3:30 p.m., November 20, 1978.

Department of Transportation
Bureau of Operations

Notice of Availability of Contract for Study Survey of Endangered Species of Clam

The Minnesota Department of Transportation (Mn/DOT) requires the services of a qualified consultant to conduct a survey to determine the presence or absence of a federally endangered species of clam (specifically for but not limited to *Lampsilis Higginsi*) in the areas of seven bridge constructions on the Mississippi and Minnesota Rivers.

The survey shall include sampling an area of a minimum length of 100 ft. upstream to 1500 ft. downstream of each proposed bridge alignment with crowfoot bars, clam rakes or other suitable equipment. Location of all dense mussel beds are to be noted and hand sampled by certified skin divers. Data analysis shall include identification to species, confirmation of taxonomy and preservation of voucher specimens, with a written report submitted to Mn/DOT upon completion of each survey.

The seven projects and approximate lengths of river which need to be surveyed are:

1. Interstate Bridge over Mississippi River at Wabasha, MN (4000 ft.).

2. High Bridge over Mississippi River in St. Paul, MN (2000 ft.).

3. Lake Street Bridge over Mississippi River in Minneapolis, MN (2000 ft.).

4. T.H. 212 Bridge over Minnesota River at Granite Falls, MN (750 ft.).

5. T.H. 212 Bridge over Minnesota River at Montevideo, MN (2000 ft.).

6. CSAH 13 & 35 Bridge over Minnesota River near New Ulm, MN (2000 ft.).

7. T.H. 4 Bridge over Minnesota River between Sleepy Eye and Fairfax, MN (2000 ft.).

The estimated cost of these surveys is $45,000. Payment for these services shall be based on actual costs plus a net fee for profit.

Please contact Mr. Frank Pafko, Aquatic Biologist, in regard to any questions you may have about the project. Mr. Pafko is located in Room 807 of the Transportation Building in St. Paul, Minnesota 55155. His telephone number is (612) 296-1643.

Please submit five (5) copies of your proposal to Mr. B. E. McCarthy, Consultant Services Engineer, Room 612B, Transportation Building, St. Paul, Minnesota 55155. His telephone number is (612) 296-3051. Those consultants interested in submitting a proposal should contact Mr. B. E. McCarthy for detailed information relating to the form and content of the proposal.

Please submit your proposal within 21 days of the date of this notice.

OFFICIAL NOTICES

Pursuant to the provisions of Minn. Stat. § 15.0412, subd. 6, an agency, in preparing proposed rules, may seek information or opinion from sources outside the agency. Notices of intent to solicit outside opinion must be published in the *State Register* and all interested persons afforded the opportunity to submit data or views on the subject, either orally or in writing.

The *State Register* also publishes other official notices of state agencies, notices of meetings, and matters of public interest.

Department of Commerce Banking Division

Bulletin No. 1976: Maximum Lawful Rate of Interest for Mortgages for the Month of November, 1978

Notice is hereby given that the Banking Division, Department of Commerce, State of Minnesota, pursuant to Section 47.20, Subd. 4, Minnesota Statutes, the Conventional Home Loan Assistance and Protection Act, hereby determines that the maximum lawful rate of interest for home mortgages for the month of November, 1978, is nine and three-quarters (9.75) percent.

October 12, 1978

Robert A. Mampel
Commissioner of Banks

Department of Corrections Sentencing Guidelines Commission

Notice of Public Hearing

The next regular business meeting of the Sentencing Guidelines Commission will be held:

Thursday, November 2, 1978 — 6:00 p.m.
Arrowhead Room
Thunderbird Inn
2201 - E. 78th Street
Minneapolis, Minnesota



The trumpeter swan is named for its clear, shrill call. It is the largest species of swan and the heaviest flying bird in North America, measuring up to 5 feet long and weighing up to 40 pounds. It is found primarily in Alaska and the Rocky Mountain region, and may fly as far south as the Carolinas for the winter. The first in-state sighting in several years was reported last fall at Lake Travers in western Minnesota. The swans currently are being bred at several Hennepin County park reserves. (Drawing by Jane Gstalder)

Department of Natural Resources Waters Division

Notice of Intent to Solicit Outside Information Regarding the Identification of Water Basins in Rock, Brown and Martin Counties

Notice is hereby given that the Department of Natural Resources and the counties of the state are continuing the process which they began earlier of identifying those water basins in the state which are public waters. This Notice of Intent to Solicit covers Martin, Brown, and Rock counties. Statements of information and comment may be made in writing, or orally by telephone or in person, to

Department of Natural Resources
Public Waters Designation Unit
Space Center Bldg., 3rd Floor
St. Paul, Minnesota 55101

ATTN: Jim Cooper
(612) 296-4803

or write or call the DNR Hydrologist or Regional Administrator in the New Ulm region office.

Oct. 11, 1978

Theresa Bailey-Morrow

Office of the Secretary of State Administration Division

Open Appointment Process: Notice of Openings on State Agencies — Application Procedures

Pursuant to Laws of 1978, ch. 592, the legislature has implemented an Open Appointment process by which the public is informed of openings on state multi-member agencies (boards, commissions, councils) created by statute and having statewide jurisdiction.

Application forms may be obtained at the Office of the Secretary of State, 180 State Office Building, St. Paul, MN 55155, (612) 296-3266. Contact the Secretary of State for the Open Appointment Process information brochure and specific agency related information.

Application deadline November 10, 1978.

BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING AND LANDSCAPE ARCHITECTURE: 1 vacancy for a licensed engineer. Open immediately.

STATE DESIGNER SELECTION BOARD: One vacancy for a public member to assist in selecting designers for state projects.

DEPARTMENT OF CORRECTIONS/ADVISORY TASK FORCE ON CORRECTIONAL FACILITIES: New task force requires at least nine persons including representation from the judiciary serving the juvenile court, county probation officers, county board members and at-large public members.

Department of Public Service Public Service Commission

Notice of Intent to Solicit Outside Opinion Concerning A Proposed Rule Which Would Require Gas and Electric Public Utility Customers to Complete Applications for Service and A Proposed Amendment to the Gas and Electric Public Utility Landlord-Tenant Rule

Notice is hereby given that the Minnesota Public Service Commission is considering adopting a rule which would require individuals requesting new or different gas or electric public utility service to complete an application requesting such service which would indicate certain information including but not limited to the identity of the applicant, the identity of the person responsible for payment, the type and location of the premises to be served and the classification of service to be provided.

Notice is also given that the Minnesota Public Service Commission is considering the amendment of Minn. Rule PSC 298 E. (4 MCAR § 3.0298 E.) otherwise known as the landlord-tenant rule. The amendment would institute certain notice requirements and implement guidelines designed to facilitate the continuation of gas or electric service to the occupant(s) of premises where the landlord or person responsible for payment for the service fails to make such payment.

Minn. Stat. § 216B.09 (1976) authorizes the Commission to establish reasonable standards, regulations, or practices to be observed and followed by public utilities with respect to the service which they furnish.

The Utilities Division of the Department of Public Service has prepared a proposed customer application rule and a proposed amendment to the landlord-tenant rule. Copies of the proposed rule and amendment will be furnished upon written request and receipt of $1.00.

All interested or affected persons or groups may submit information on this subject. Written or oral information and comment should be addressed to:

Mr. Leo J. Ambrose
Secretary, Minnesota Public Service Commission

Seventh Floor, American Center Building
160 East Kellogg Boulevard
St. Paul, Minnesota 55101

All statements of information and comment must be received by December 1, 1978. Any written material received by this date will become part of the record of any rules hearing held on this subject.

October 11, 1978

Leo J. Ambrose
Secretary

Department of Transportation Administration Division

Notice of Application and Opportunity of Hearing Regarding Removal of Track No. 69 Located at Fairmont, Minnesota

Notice is hereby given that the Chicago and North Western Transportation Company with offices at 4200 IDS Center, 80 South 8th Street, Minneapolis, Minnesota 55402 has filed a petition with the Commissioner of Transportation pursuant to Minn. Stat. § 219.741 (1977 Supp.) and § 218.041, subd. 3 (10) (1977 Supp.) to retire and remove 325 feet of I.C.C. Track No. 69 located at Fairmont, Minnesota.

The petition recites among other matters that: "The subject track is no longer needed for rail transportation service, and constitutes a continuing and burdensome maintenance expense. The track is not used at the present time and there is no present prospect that the subject track will be needed in the future. The only shippers, patrons or members of the public who might have any interest in the retention of the tracks or facilities, or who have used the same to any substantial degree with the past several years, is the North Central Public Service Company of Fairmont, Minnesota."

Any person may file a written objection to the proposed action by means of a letter addressed to the Commissioner of Transportation, Transportation Building, Saint Paul, Minnesota 55155, not later than the date specified below. An objection must be received on or before November 13, 1978. The objection should state specifically how the objector's interest will be adversely affected by the proposed action.

Upon receipt of a written objection, the Commissioner will, with respect to the named petitioner, set the matter down for hearing. If no objections are received, the Commissioner may grant the relief sought by the petitioner.

IF THIS MATTER IS SET FOR HEARING, any person who desires to become a PARTY to this matter must submit a timely PETITION TO INTERVENE to the Hearing Examiner pursuant to Minn. Reg. HE 210, showing how the person's legal rights, duties and privileges may be determined or affected by the decision in this case. The petition must also set forth the grounds and purposes for which intervention is sought. All parties have the right to be represented by legal counsel or any other representative of their choice. In the event the objecting party does not do so, or otherwise does not participate in the hearing, the statements contained in the application filed may be taken as true.

October 16, 1978

Jim Harrington
Commissioner of Transportation

STATE OF MINNESOTA
OFFICE OF THE STATE REGISTER

Suite 415, Hamm Building
408 St. Peter Street
St. Paul, Minnesota 55102
(612) 296-8239

ORDER FORM

State Register. Minnesota's official weekly publication for agency rules, notices and executive orders.

_____ Annual subscription $110.00
_____ Additional subscription $85.00
_____ Single copy $2.25 each

***State Register* Binder.** Durable 3½ inch, forest green binders imprinted with the State Register logo.

_____ State Register Binder $5.00 + $.20 (sales tax) = $5.20* each

Guidebook to State Agency Services. The 53rd issue of the State Register, a how-to-get-it guide to state services. Detailed information about every service available to the public, in clear, simple English.

_____ Single copy $4.95 + $.20 (sales tax) = $5.15*

Minnesota Code of Agency Rules (MCAR). The permanent, 15 volume set of state agency rules. An indispensable reference work for the practice of administrative law.

_____ 15 volume set $325.00, includes the annual update service subscription for the year of order (a $105.00 value) and a set of MCAR binders.

***MCAR* Binders.** A set of 15 sturdy, three inch, three-ring binders in attractive forest green, imprinted with the MCAR logo.

_____ 15 volume set $35.00 + $1.40 (sales tax) = $36.40*

*To avoid Minnesota sales tax, please include below your tax exempt number.

Please enclose full amount of items ordered. Make check or money order payable to "Minnesota State Treasurer."

Name _____

Attention to: _____

Street _____

City _____ State _____ Zip _____

Telephone _____

Tax Exempt Number _____

Adopted

Department of Revenue
Alcoholic Beverage Excise Tax Rules.

Chapter I - Assessment and Collection of Excise Taxes on Distilled Spirits and Wines; Returns and Reports Required; Records to be Kept; and Bonds Needed.

~~13MCAR §1.9001 INTRODUCTION~~ Comment - Under Laws of 1976, ch. 5, the responsibility for the assessment and collection of excise taxes on alcoholic beverages was transferred from the Department of Liquor Control to the Department of Revenue, Alcohol, Tobacco and Special Taxes Division.

The Department of Revenue currently has no rules relating to the assessment and collection of these taxes. These rules are being issued to fill that void.

Minn. Stat. ch. 340, deals with intoxicating liquors in Minnesota. The Department of Public Safety, Liquor Control Division published rules that clarify chapter 340, except for sections 340.44 to 340.56. The following rules clarify these sections by describing the assessment process, the means by which payment must be made, the reports required to be filled out and sent in by the taxpayer, and other facts important to the assessment and collection of the excise tax on alcoholic beverages.

All persons engaged in the alcoholic beverage industry within Minnesota should first read Minn. Stat. ch. 340, as well as the rules involving the administration of the Intoxicating Liquor Act as issued by the Department of Public Safety, Liquor Control Division. A knowledge of the law and rules will help you to better understand the Department of Revenue rules.

~~1.9002~~ 1.9001: DEFINITIONS - Most of the terms and phrases germane to the assessment and collection of the excise tax on alcoholic beverages are defined in Minn. Stat., ch. 340; §§340.001, 340.07, 340.401, and 340.44 or the rules of the Department of Public Safety, Liquor Control Division. For the purposes of these rules the following additional words and phrases will be used and will have the meaning described below, except where the context clearly indicates a different meaning.

A. Commissioner - is the Commissioner of Revenue of the State of Minnesota.

B. Barrel - is a container for fermented malt beverages holding 31 U.S. gallons.

C. Director - is the Director of the Alcohol, Tobacco and Special Taxes Division, Minnesota Department of Revenue.

D. Liter - is a metric unit of capacity equal to ~~100~~ 1,000 cubic centimeters of distilled spirits at 15.56°C (60°F) and equivalent to 33.814 U. S. fluid ounces. A liter is subdivided into 1,000 milliliters (ML). When the term 'liter' is used as a metric unit

of capacity for wine, the temperature at whcih the measurement shall be made shall be 4°C instead of 15.56°C.

E. Military Club - is any Officers or Non-Commissioned Officers Club which is located on a United States Government Military Base, and meets all Federal criteria for the establishment and operation of such a club. The Director shall publish a list of all such clubs within Minnesota which will be available to wholesalers. Only military clubs named on this list shall be eligible to purchase tax exempt alcoholic beverages.

F. Miniature - is any container of distilled spirits containing 50 milliliters or less.

G. Minnesota Identification Number - is that number assigned to a taxpayer by the Minnesota Department of Revenue, and is the same number used by the taxpayer for income tax, sales and use tax and withholding returns.

~~H. Split - is any container of wine less than 200 milliliters but more than 50 milliliters.~~

~~I~~ H. Wine - is wine as defined in the Code of Federal Regulation Title 27, Section 26, Section 4.10(e) and Sections 4.21 through 4.24 as they existed on April 1, 1977. ~~However, wine is not to be limited to not less than seven percent alcohol by volume but is to be considered wine if it contains not less than one-half of one percent alcohol by volume.~~ However, the federal definition requir-

ing wine to be at least seven percent alcohol by volume is not to apply but wine will be considered as wine if it is at least one-half of one percent alcohol by volume.

I. Wine - is wine as defined in the Code of Federal Regulation Title 27, Section 4.10(e) and Sections 4.21 through 4.24 as they existed on April 1, 1977. However, wine is not to be limited to not less than seven percent alcohol by volume but is to be considered wine if it contains not less than one-half of one percent alcohol by volume.

~~1.9003~~ 1.9002: EXCISE TAX ON DISTILLED SPIRITS AND WINE

A. ~~Distilled Spirits and Wine sold for beverage purposes in the State of Minnesota are subject to an excise tax. All wholesalers of distilled spirits and wines have to pay the tax to the Commissioner at the rates described in Minn. Stat. §340.47. The wholesaler is responsible for paying the amount of this tax at the time distilled spirits and wine are removed from the inventory for sale, delivery or shipment, except for such tax exempt sales described in these regulations.~~ Except for tax exempt sales described in these rules, wholesalers shall be responsible for paying the amount of tax levied on distilled spirits and wine by Minn. Stat. Section 340.461 at the time containers of distilled spirits and wine are removed from inventory for sale, delivery or shipment.

1. Containers of bitters having the Federal strip stamp, or similar device attached, are to be considered as beverages and are to be taxed as distilled spirits.

~~2.~~ ~~Miniatures shall be taxed at 12 cents each.~~

~~NOTE: Miniatures are not permited to be sold in Minnesota except to common carriers and certain authorized retailers.~~

~~3~~ 2. Metric units of measure will be used in determining the excise tax on distilled spirits and wine beginning January 1, 1979. The factor for conversion of U.S. gallons to metric standards is: 1 liter equals 0.264172 U.S. gallon.

~~4~~ 3. Alcoholic Content to be used for excise tax purposes ~~is to~~ shall be the percent of alcohol by volume as shown on the label of the product. If the alcoholic content is not shown on the label, the alcoholic content as established by the chemical analysis required for brand label registration ~~is to~~ shall be used. If two or more percents' of alcohol by volume are shown on the label (ie 13% - 15%) the higher figure ~~is to~~ shall apply in determining the excise tax.

~~1.9004~~ 1.9003: CERTIFICATION LABEL FEE.

A. ~~Minn. Stat. §340.461 provides for payment of a certification fee on all containers of spirits or wine. This tax was formerly administered through the sale of carton labels by the State Treasurer to various distillers, importers and wholesalers. The container fee is now to be paid by all wholesalers of distilled spirits and wine to the Commissioner at the rate as described in Minn. Stat. §340.461. The wholesaler is responsible for the payment of this tax when the containers of distilled spirits~~

~~and wine are removed from his inventory for sale, delivery or shipment~~. Except for the exemptions described in this Rule, wholesalers shall be responsible for paying the certification label fee levied on distilled spirits and wine by Minn. Stat. Section 340.461 at the time the contains of distilled spirits and wine are removed from inventory for sale, delivery or shipment.

B. Exemptions from the certification label fee are as follows:

1. Miniatures of distilled spirits.

2. Containers of fermented malt beverage.

3. Containers of intoxicating liquor or wine holding less than 200 milliliters.

4. Containers of wine intended exclusively for sacramental purposes.

5. Containers of alcoholic beverages sold to qualified, approved military clubs.

6. Containers of alcoholic beverages sold to common carriers engaged in interstate commerce.

7. Containers of alcoholic beverages sold to authorized food processors or pharmaceutical firms for use exclusively in the manufacturing of food products or medicines.

8. Containers of alcoholic beverages sold and shipped to dealers, wineries, or distillers in other states.

9. Containers of alcoholic beverages sold to other Minnesota wholesalers.

~~1.9005~~ 1.9004: MONTHLY REPORT AND TAX RETURN FOR DISTILLED SPIRITS AND WINE.

A. A monthly return ~~is to~~ shall be filled out and sent to the Commissioner by all Minnesota licensed manufacturers and wholesalers of distilled spirits and/or wine. The monthly return, form LB-56, must be filed no later than the 10th day of the next month and payment of the taxes shown on the return must accompany it. Failure to file this return and pay the taxes on time will result in additional charges described in Minn. Stat. §340.485.

B. The LB-56 return ~~is to~~ shall include the following information:

1. Name, Minnesota Identification Number, and address of the wholesaler or distiller, and the month for which the report is being made.

2. Amount of purchases by type of alcoholic beverage for the month.

3. Beginning inventory by type of alcoholic beverage for the month.

4. Ending inventory by type of alcoholic beverage for the month.

NOTE: The ending inventory for one month must be used as the beginning inventory for the following month.

5. Total amount of alcoholic beverages sold, shipped or delivered for the month.

6. Exemptions for the month which may include:

   a. Sales to Minnesota wholesalers. This exemption ~~is to~~ shall be permitted only if the sale or transfer is verified by the firm receiving the product.

   b. Shipment to dealers, wineries, and distillers located in other states. The shipments must be documented by properly executed bills of lading. Also, the out of state consignees must be authorized to receive distilled spirits and/or wines in their respective states. And, they must have filed receipt of the shipments with their respective state liquor authorities.

   c. Sales to common carriers engaged in interstate commerce and qualified, approved military clubs. The sales must be documented by properly receipted invoices, delivery tickets or bills of lading on file at the wholesaler's premises.

d. Sales of wine to any regularly appointed and ordained Rabbi, Priest, Minister or Pastor of any church or established religious organization. The sale must be documented by an affidavit executed by the purchaser at the time of purchase. The affidavit ~~is to~~ shall contain a statement that the quantity and type of wine purchased ~~is to~~ will be used exclusively for religious or sacramental purposes. These affidavits are to be kept on file at the wholesaler's premises.

e. Sales of distilled spirits and wines to authorized food processors, or pharmaceutical firms. The sale ~~is to~~ shall be documented by an affidavit executed by the purchaser, at the time of purchase, to the effect that the quantity and type of distilled spirits or wine purchased ~~is to~~ will be used exclusively in the manufacture of food products or medicines. The affidavits are to be kept on file at the wholesaler's premises.

f. Distilled spirits and wines destroyed under the supervision of a Division of Alcohol, Tobacco & Special Taxes Employee. The destructions must be documented by an affidavit executed by a Division employee. The affidavit must be kept on file at the wholesaler's premises.

g. Breakage of distilled spirits and wine either while in transit to the wholesaler's premises or while in his warehouse. Under no circumstances will breakage be

allowed on goods which have left the wholesaler's warehouse. In order to qualify for tax exempt status this breakage must be inspected and approved by an employee of the Division. All broken bottles must be retained in the original carton or cases. Also, every bottle claimed as breakage must have an unbroken Federal strip stamp or cap seal. After inspection by a Division employee, breakage may be disposed of by the wholesaler. The burden of proof for establishing breakage allowances is upon the wholesaler. Any breakage that does not meet the above standards set by the Division will not be allowed as tax exempt. Affidavits may be required in order to document the breakage. These affidavits are to be executed by the Division employee and kept on file at the wholesaler's premises.

7. Sales of alcoholic beverages by type to retailers for the month.

NOTE: Wholesalers may subtract from the amount of their taxable sales the amount of the products returned by retail dealers. However, credit memos must have been prepared and kept in numerical order on file at the wholesaler's premises. No allowance will be given for breakage returned from retailers.

8. Miscellaneous taxable usage. This includes such items as saleman's samples and pilferage.

9. A computation of excise taxes due which shall be based on the total taxable sales, by type of alcoholic beverage, multiplied by the appropriate tax rate.

Overpayments of tax for prior periods as determined by audit may be deducted from the tax due. Notations in the form of audit credit must accompany the return.

C. An example of a completed LB-56 form is contained in the Appendix of these rules. Blank copies of this form and all other forms described in these rules may be obtained from the Division.

~~1.9006~~ 1.9005: MONTHLY REPORT FOR MANUFACTURERS, WHOLESALERS AND IMPORTERS.

A. A monthly report, Form LB-37, must be filed with the Commissioner by all manufacturers, wholesalers and importers licensed to ship distilled spirits and/or wine into Minnesota. This report is an informational return. No payment of any tax is required to be sent in with this report. The report must be filed no later than the 10th day of the following month, regardless of whether or not any shipments were made into Minnesota during the previous month. If this return is not filed the Director ~~is to~~ shall notify the Department of Public Safety, Liquor Control Division that the manufacturer, wholesaler or importer has not complied with the terms of his or her licensing agreement under Minn. Stat. §340.113, subd. 2. The Commissioner of Public Safety is permitted to revoke or fail to renew licenses of manufacturers, wholesalers and importers who do not obey the law.

B. The monthly report for manufacturers, wholesalers and importers must include the following information:

1. Name, address of the manufacturer, wholesaler or importer and the month for which the report is being made.

2. Details of the shipment of alcoholic beverages into Minnesota during the month, specifying the consignee and the quantity, by type of alcoholic beverage, in each shipment.

3. Complete records of such shipments and transactions must be maintained by the manufacturer, wholesaler, or importer for a period of two years after the date of each transaction.

C. An example of a completed LB-37 form is contained in the Appendix of these rules.

~~1.9007~~ 1.9006: RECORDS TO BE KEPT.

A. In order to insure the orderly administration of the Minnesota excise tax law on alcoholic beverages, certain record keeping procedures will be required of all wholesalers, retailers and persons manufacturing, storing, or selling alcoholic beverages in the State. The records kept must include all normal books of account ordinarily maintained by the average prudent businessman engaged in the appropriate phase of the alcoholic beverage business. Also, all bills, receipts, invoices, cash register tapes, or

other documents of original entry supporting the entries in the books of account as well as all schedules or working papers used in connection with the preparation of the excise tax return must be kept.

1. Microfilm reproduction of general books of account will not be accepted in place of original records unless all phases of the microfilming process including preservation, indexing, cross referencing, location and inspection have received prior written approval from the Director.

2. Electronic Data Processing (E.D.P.) records must include a method of producing visible and legible records from the machine - sensible records which will provide the necessary information for the verification of the taxpayer's excise tax liability. All machine-sensible records which are material in the administration of ~~the Liquor Tax Law~~ Minn. Stat. §§ 340.44 to 340.56 are required to be maintained and retained in the same manner as printed records. In addition all E.D.P. accounting systems must provide:

   a. A general ledger with source references.

   b. An identifiable audit trail.

   c. The capability of tracing any transaction back to the original source or forward to a final total.

d. Adequate record retention facilities for the storage of all supporting documents.

e. A general description of the workings of the E.D.P. system itself including: programming technique, codes, glossary, abbreviations used, standard operating and control procedures, change log, and operator instructions.

B. In addition to the requirements set forth in Section A above, every retail dealer must keep a record, in book form, showing all distilled spirits, wine and fermented malt beverage received on his or her premises, the quantity of the beverages, and from whom received; or he or she must keep all invoices and bills for distilled spirits, wine and ~~beer~~ fermented malt beverages received.

C. In addition to the requirements described in Section A above, all wholesale distributors are required to maintain:

1. Receiving reports. Wholesale distributors must prepare a receiving report upon receipt of each shipment of distilled spirits and wines imported into the state in containers or in bulk and under manifest, or purchased from other wholesalers or distributors within the state, or produced from bulk by the wholesaler. Each receiving report shall be numbered and filed in numerical order. On shipments from outstate the manifest or bill of lading number assigned to that shipment must be

recorded on the receiving report. The contents of the receiving report must be the same as shown on the manifest or bill of lading. If the contents shown on the receiving report differs from the manifest or bill of lading, a full and complete explanation of the difference must be attached to the receiving report.

2. Inventories. On June 30 and December 31st of each year certified physical inventories must be taken of all distilled spirits and wine in the possession of the wholesaler. The results of these certified inventories must be filed with the Commissioner on a form approved by the Director, together with the wholesalers monthly excise tax report for June and December. This inventory statement must show the number of liters for each type of alcoholic beverage together with a count of bottles and miniatures. Wholesalers having bulk amounts of distilled spirits or wines must file separate inventories of bulk and bottled products. ~~Dates other than those mentioned above, special inventory forms and/or waiver of one inventory date are permitted if prior written approval is received from the Director.~~ Wholesalers that observe a fiscal year ending other than December 31 may take their certified inventories on the last day of the fiscal year and on the date six months previous to the last day of that fiscal year. The Director may waive the taking of one certified inventory a year if it can be demonstrated that historically the accuracy of the returns will not be impaired by such waiver.

3. Record of sales and deliveries. Wholesale distributors shall prepare invoices, delivery tickets and/or bills of lading for each sale or delivery of distilled spirits or wine and shall retain copies in numerical order or by customer name. These records shall include the customer's name and address and the point of deliver. These records must include any non-taxable sales or dispositions that may be allowed as an exemption under Rule ~~1.9005 B(6)~~ 1.9004.

4. Production and/or bottling records. Minnesota licensed manufacturers and wholesale distributors that bottle or rectify distilled spirits or wines must prepare daily bottling and rectification reports. These reports are to show the quantities of bulk product used and the quantities bottled each day and the total for the month. A copy of the bottling report must be attached to the Minnesota Excise Tax Report Form LB-56.

Finished bottled products are to be transferred from the bulk product to the regular stock, by receiving the bottled liters and bottles in the purchases section of the Minnesota Excise Tax Report, form LB-56. Individual receivings by bottling lots are preferable in certain operations, but a single receiving for the month based on the bottling report is permitted.

Minnesota bottlers of wine are permitted to exempt a certain amount of volume from the tax for leakage which occurs during

the transportation of wine in bulk into the state and for wastage during the process of bottling. However, such claims are not permitted to be more than two percent of the volume imported or processed in any one calendar year. An affidavit must be sent in for each claim. This affidavit must accompany the Monthly Excise Tax Report for the month in which the leakage or wastage occurred.

D. All records required to be kept must be maintained in good order and readily accessible for a period of four years. However, records can be destroyed earlier than four years if written approval is received from the Director.

E. ~~The Commissioner or his duly authorized employee can, by law, examine all the above mentioned books, papers and records in order to determine whether the correct amount of excise tax on alcoholic beverages has been paid. This inspection may be carried out at the premises of the manufacturer, wholesaler, retailer, or at another location where these records are maintained.~~

~~1.9008~~ 1.9007: BONDS REQUIRED.

A. Under Minn. Stat. §340.485 subd. 2, wholesalers of distilled spirits and wine are required to file a surety bond with the Commissioner. Bonds must be for a period of one year, beginning July 1 and ending June 30 of each year. The bonds must be filed with the Commissioner no later than June 20 of the year before the bond is effective.

The amount of bond required of each wholesaler and the forms of bond required will be furnished to each wholesaler by June 1 of each year.

After the bond has been acknowledged by the principal and been approved and acknowledged by the surety, two copies must be mailed to the Director.

B. ~~The amount of the bond is to be computed by the Director. The amount is not to be more than two times the wholesaler's average monthly excise tax liability for the preceding calendar year. The bond for a new wholesaler is to be set at an amount not to exceed an estimated two month tax liability.~~ The amount of the bond will be computed by the Director. The amount will be approximately one and one-half times the wholesaler's average monthly excise tax liability for the preceding calendar year.

C. ~~The Director may, upon written application from the wholesaler, waive this bonding requirement. In place of the bond, the Director may permit a certified check to be used. This check must be made in favor of the Commissioner and will be kept in the office of the Director.~~ In lieu of the bond required above, a certified check may be filed with the Director in the amount of the bond as computed pursuant to clause B, above. It must be drawn for an amount equal to a comparable surety bond for the particular wholesaler. The Department of Revenue ~~is to~~ shall pay no interest on funds encumbered by this check.

~~1.9009: RESERVED FOR FUTURE USE.~~ 13MCAR Sections 1.9008 and 1.9009 RESERVED FOR FUTURE USE.

Chapter II - Assessment and Collection of Excise Taxes on Fermented Malt Beverages; Returns and Reports Required; and Records To Be Kept.

1.9010: EXCISE TAX ON FERMENTED MALT BEVERAGE.

A. An excise tax must be paid on fermented malt beverages sold for beverage purposes within the State of Minnesota. This excise tax ~~is to~~ shall be paid by the brewer of fermented malt beverages brewed in Minnesota; or by the wholesaler or out of state brewer of malt beverages imported into the state. The tax must be paid to the Commissioner at the rates under Minn. Stat. §340.47. Credits applying to the tax are also described in Minn. Stat. §340.47. No Minnesota excise tax ~~is to~~ need be paid on fermented malt beverages:

1. Sold and shipped into interstate commerce by Minnesota businesses;

2. Transferred in bond from one brewery, to another. However, U.S. Government Form ATF 2035 must be properly filed with the appropriate federal agency documenting such a transfer. Excise tax becomes due on these shipments when they leave the bonded premise of the brewery for shipment to a Minnesota wholesaler or retailer.

3. Distributed to brewery employees for consumption on brewery premises under a contract of employment;

4. Given away without a charge of any kind for consumption on brewery premises.

5. Sold to qualified, approved military clubs.

B. The official standard of measure for fermented malt beverages ~~is to~~ shall be the barrel.

1.9011: MONTHLY REPORT AND TAX RETURN FOR FERMENTED MALT BEVERAGES.

A. Licensed Minnesota brewers and out of state brewers or importers must file monthly, with the Commissioner, form LB-128. This report must be filed no later than the 15th day of the month and ~~is to~~ shall be made for all sales of fermented malt beverage within, or imported into, Minnesota for the preceding calendar month. The amount of excise tax to be paid on the sale or importation of these fermented malt beverages must be sent in together with form LB-128. Failure to file this return and pay the tax on time will result in penalties described in Minn. Stat. §340.492.

B. The LB-128 report ~~is to~~ shall contain the following information:

1. Name, Minnesota Identification Number, and address of the brewer or importer; and the month for which the report is being made.

2. Number of barrels of ~~3.2 and strong beer~~ fermented malt beverage containing not more than 3.2 percent of alcohol by weight and the number of barrels of fermented malt beverage containing more than 3.2 percent of alcohol by weight that were sold or shipped into Minnesota during the month, and the amount of tax to be paid on each class of ~~beer~~ fermented malt beverage.

3. Form LB-128 may be supplemented by certain E.D.P. printouts in lieu of official Minnesota Department of Revenue forms, if ~~prior~~ written approval is received from the Director.

C. Fermented malt beverages destroyed under supervision of ~~a Division of~~ an Alcohol, Tobacco and Special Taxes Division employee are exempt from Minnesota tax. However, duplicate affidavits must have been executed by an employee of the Division. One copy of the affidavit must be filed with the LB-128 report; and one copy to be retained by the brewer or importer.

D. An example of a completed LB-128 form is contained in the Appendix of these rules.

E. The monthly LB-128 form must be accompanied by one or more of the following forms which detail the monthly operation of the brewer or importer.

1. Out of state brewers and ~~wholesale~~ fermented malt beverage dealers must file, in connection with the LB-128, a monthly report, form LB-51, for all shipments into the state during

the previous month. These reports are to contain the following information:

a. Name, Minnesota Identification Number, and address of the brewer or importer; and the month for which the report is being made.

b. Taxable sales to licensed Minnesota Wholesalers.

c. Non tax-paid shipments to licensed Minnesota wholesalers, for later delivery to other states or for tax exempt sale within the state to duly authorized common carriers engaged in interstate commerce or military clubs. Each of these non tax-paid shipments must be supported by an affidavit, or by a duplicate copy of the invoice. These documents must be filed with the report.

d. The amount of excise tax must be determined on the taxable sales at the rates described in Minn. Stat. §340.47.

e. An example of a completed LB-51 form is contained in the Appendix of these rules.

2. Minnesota Brewers must file, in connection with the LB-128 form, monthly reports for ~~3.2 beer~~ fermented malt beverage containing not more than 3.2 percent of alcohol by weight on form LB-88 and for ~~strong beer~~ fermented malt beverage containing more than 3.2 percent of alcohol by weight on form LB-89. These reports must contain the following information:

a. Name, Minnesota Identification Number and address of the brewer; and the month for which the report is being made.

b. The brewer's beginning and ending inventory.

c. Barrels of ~~beer~~ fermented malt beverages manufactured.

d. Tax exempt sales, which include fermented malt beverages:

1) ~~Beer~~ consumed on the brewery premises by employees or others as provided in Minn. Stat. §340.47, Subd. 2.

2) ~~Beer~~ sold tax exempt to duly authorized common carriers engaged in interstate commerce or military clubs. Receipted invoices or properly executed bills of lading must be kept on file to verify each claim.

3) ~~Beer~~ sold or exported to authorized dealers in other states. These sales must be individually recorded on Supplemental Form 88 or 89. Invoices and properly executed bills of lading must be on file to verify each shipment. Exemption is also dependent on the report made by the consignee to the liquor tax authority in the respective state, stating the quantities of ~~beer~~ fermented malt beverages received in each shipment.

4) ~~Beer~~ sold to Minnesota licensed wholesalers for later delivery into other states.

5) ~~Beer~~ destroyed as approved by the Federal Government, or the Department of Revenue.

e. Taxable sales, which include fermented malt beverages:

1) ~~Beer~~ sold to duly licensed retailers.

2) ~~Beer having~~ Containing not more than 3.2 percent alcohol by weight sold to consumers as provided in Minn. Stat. §340.02, subd. 7.

3) ~~Beer~~ sold to wholesalers authorized to sell beer in Minnesota.

f. Excise tax ~~is to~~ shall be computed on the taxable sales at the rate including applying the credits as specified by Minn. Stat. §340.47.

g. An example of a completed Minnesota Brewers reports LB-~~89~~ 88 together with supplemental sheets ~~is~~ are contained in the Appendix of these rules.

1.9012: MONTHLY REPORT FOR MINNESOTA FERMENTED MALT BEVERAGE WHOLESALER.

A. Minnesota Wholesale distributors of fermented malt beverages must file monthly informational reports with the Commissioner no later than the 15th of the following month. For Minnesota tax paid fermented malt beverages, form LB-52C must be completed. For non tax-paid fermented malt beverages form LB-66 shall be used. Both of these reports must contain the following information:

1. Name, Minnesota Identification Number, and address of the wholesaler, and the month for which the report is being made.

2. Inventories; beginning and ending each month.

3. Quantities purchased, and from whom purchased.

4. Quantities sold. In addition, the name of the person to whom sold must be listed on form LB-66.

B. Failure to file these reports will result in the Director notifying the Department of Public Safety, Liquor Control Division, that the wholesaler is not complying with the terms of his licensing agreement. The Commissioner of Public Safety is permitted to revoke or not renew licenses of wholesalers who do not obey the law.

C. Examples of completed fermented Malt Beverage Wholesalers form LB-52C and LB-66 are contained in the Appendix of these rules.

D. Non tax-paid ~~beer~~ fermented malt beverages in the possession of a Minnesota wholesale ~~beer~~ fermented malt beverages distributors may be transferred to his or her tax-paid inventory upon filing with the Commissioner form LB-128 together with the payment of the tax due.

E. Wholesalers who import ~~beer~~ fermented malt beveragesdirect from foreign countries must file with the Commissioner form LB-128 together with monthly report form ~~526~~ LB-52C. These forms and the payment of the excise tax are due by the 15th day of the month on all ~~beer~~ fermented malt beverages imported into the state during the preceding month.

1.9013: RECORDS TO BE KEPT.

A. The same requirements that are contained in Rule ~~1.9007~~ 1.9006, Section A and C, pertain to Minnesota licensed brewers, wholesalers and importers of fermented malt beverage.

B. Certified physical inventories are not required. However, if a physical inventory of the stock of a Minnesota brewer, wholesaler, or importer is taken, either by the person himself or by a Federal agency, the results of that inventory must be forwarded to the Director.

C. All records must be maintained in accordance with Rule ~~1.9007~~ 1.9006 Section D.

D. Examination of books and records of brewers, wholesalers, and importers can be made under the procedure set forth in Rule 1.9007 6, Section E.

1.9014: RESERVED FOR FUTURE USE.

Chapter III - Common Carriers Licensed to Sell Intoxicating Liquor; and Assessment and Collection of Excise Taxes on Distilled Spirits, Wine, and Fermented Malt Beverage.

~~1.9015~~: ~~COMMON CARRIERS~~. Comment on Common Carriers

A. The Commissioner of Public Safety is permitted, under Minn. Stat. §340.11, subd. 3 and Minn. Stat. §340.14, subd. 5, to issue a license to sell intoxicating liquor to bona fide passengers being transported in interstate or intrastate commerce. Licensed common carriers engaged in interstate commerce are permitted to purchase intoxicating liquor and ~~non-intoxicating~~ fermented malt beverages from licensed Minnesota wholesalers as a tax exempt purchaser. The wholesaler may deduct quantities sold to common carriers engaged in interstate commerce from the tax computation on ~~LB form~~ form LB-56 by listing the sales on that form. However, the common carrier engaged in interstate commerce becomes liable for the excise tax, at the rates specified by Minn. Stat. §340.47, on all alcoholic beverages sold within Minnesota.

~~1.9016~~ 1.9015: MONTHLY REPORT AND TAX RETURN FOR COMMON CARRIERS.

A. Common Carriers engaged in interstate commerce licensed by the Commissioner of Public Safety must maintain a daily record of all distilled spirits, wines and fermented malt beverages sold within the State of Minnesota. Also, licensed common carriers engaged in interstate commerce must file monthly reports on ~~LB Form~~ Form LB-123 for the total sales of liquor, wine and ~~beer~~ fermented malt beverages; together with the tax payment on the sales by the 10th day of the following month. Failure of a Common Carrier engaged in interstate commerce to submit reports and tax payments timely will make him subject to such penalties described in Minn. Stat. §§340.485 and 340.492. The LB-123 report must contain the following information:

1. Name, Minnesota Identification Number, and address for the Common Carrier, and the month for which the report is being made.

2. Quantity of distilled spirits, wine, and fermented malt beverages sold during the month and the tax due utilizing the appropriate tax rate.

B. A common carrier engaged in interstate commerce is permitted to use a formula for the allocation of the total sales of alcoholic beverages between states on the basis of passenger miles in each state or some other method of allocation if written approval is received

from the Director. The Director ~~may~~ shall approve the plan if he is convinced that the allocation properly apportions the sales to the respective states.

C. An example of a completed Common Carrier LB 123 form is contained in the Appendix of these rules.

~~1.9017~~ 1.9016: RESERVED FOR FUTURE USE.

State of Minnesota

Department of Revenue

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OFFICE OF HEARING
EXAMINERS

In the Matter of the Proposed Rules
of the Department of Revenue Governing
the Alcoholic Beverage Excise Tax.

Statement of Need & Reasonableness

The above-captioned rules are being proposed as a result of Laws of 1976, Chapter 5, which transferred the responsibility for the assessment and collection of excise taxes on distilled spirits, wines and fermented malt beverages from the Department of Liquor Control to the Department of Revenue; Alcohol, Tobacco and Special Taxes Division.

The Department of Revenue currently has no rules relating to the assessment and collection of these taxes. These rules are being promulgated to fill that void.

This document has been prepared as a verbatim affirmative presentation of the facts necessary to establish the statutory authority, need for, and reasonableness of the proposed new rules. It is submitted pursuant to 9 MCAR Section 2.104 requiring a Statement of Need and Reasonableness.

A Notice of Intent to Solicit Outside Information or Opinions in the preparation of these proposed rules was published in the State Register on April 10, 1978. An open forum discussion was held on April 28, 1978 with representatives of the Department of Revenue and sixteen representatives of various segments of the alcoholic beverage industry. Suggestions and comments made at this forum were received and duly considered.

Authority to Adopt Rules

Minnesota Statutes, 1977 Supp., Section 340.47 Subd. 2b grants the Commissioner of Revenue statutory authority to promulgate a rule, establishing the date and procedure for the conversion of the distilled spirits and wine excise tax computation

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and reporting requirements from rates expressed in gallons to rates expressed in metric volumes.

Minnesota Statutes, 1976, Section 340.485 Subds. 1 and 3 grant the Commissioner of Revenue statutory authority to prescribe rules concerning the form and information required on returns, the keeping of records, the rendering of reports, and necessary shipping documents, from a licensed manufacturer or wholesaler liable for the tax on wine or spirituous liquids.

Minnesota Statutes, 1976, Section 340.492 grants the Commissioner of Revenue statutory authority to adopt rules for the reporting, paying, and collecting of the excise tax on fermented malt beverages.

Adoption of Proposed Rules

Need and Reasonableness

13 MCAR 1.9001 Introduction: This section is needed as a preface to the new rules. It establishes the authority and the reason for the rules. It cites the sections of Minnesota Statutes and the rules of the Department of Public Safety, Liquor Control Division which should be used in conjunction with these proposed rules.

13 MCAR 1.9002 Definitions: This section clarifies the various words and phrases used throughout the proposed rules. It is needed in order to avoid confusion in the interpretation of terms within these rules. Some words and phrases used in these rules are the same as those used in the rules of the Department of Public Safety; Liquor Control Division; however, within the context of the Department of Revenue's proposed rules these words and phrases will be given different meanings. Care has been taken not to duplicate any terms which are satisfactorily defined in either Minn. Stat. Chapter 340 or the existing rules of the Liquor Control Division. All words and phrases contained in the Definition Section of the proposed rules are necessary for the understanding and orderly administration of the new rules.

The definition used for the term "barrel" is contained in Minn. Stat. Sec. 340.47, Subd. 2. This definition makes it clear that the size of the gallon being used is the U.S. gallon.

The definition for the term "liter" is identical with the federal definition contained in Code of Federal Regulation, Title 27, Sections 5.11 and 4.10(0). This is an expansion on the definition of a liter that is listed in Minn. Stat., 1977 Supp., Section 340.47, Subd. 2b, in which the official conversion factor from a liter to a gallon is given.

A definition is provided for the term "military club" so that it is clear what an organization must do to purchase tax exempt alcoholic beverages. These organizations are exempt because of the provisions of 4 U.S.C. section 107 which does not allow a state to tax the sale, purchase, storage, or use of tangible personal property sold to an authorized purchaser by an instrumentality of the United States such as a voluntary, unincorporated organization of personnel of any branch of the Armed Forces.

The definition for the term "miniature" is contained in Minn. Stat., 1977 Supp., section 340.47, subd. 1a. It is necessary to have this definition here to lend clarity to the rules because the term miniature is used several times in these rules. This definition does make it clear that that the term applies only to distilled spirits.

The federal definition for the term "wine" is used to provide consistency for federal and state tax purposes. The definition subjecting wine to taxation as wine if it contains at least one-half of one percent of alcohol by volume has been the definition that has been historically used. It can be derived from several statutes. Minn. Stat., section 340.07, subd. 2 defines intoxicating liquor as that containing in excess of 3.2 percent of alcohol by weight. Section 340.001, subd. 2 defines non-intoxicating malt liquor as that containing not less than one-half of one percent alcohol by volume. Section 340.44, (1) and (5) also use the one-half of one percent of alcohol by volume definition. The tax imposed by section 340.47, subd. 1a (1) is

imposed "on all unfortified wines." This definition of wine is a reasonable definition of the term "unfortified wine" based on all the statutes involved.

13 MCAR 1.9003 Excise Tax on Distilled Spirits and Wines: This section expands on and explains Minn. Stat. Section 340.47, subds. 1 and 1a and Section 340.485, subd. 1. It details when the excise tax becomes due, and what standards shall be used to determine the alcoholic content of an alcoholic beverage. More importantly, pursuant to Minnesota Statutes, 1977 Supp., Section 340.47, subd. 2b, the rule establishes a date for the conversion of excise tax computation and reporting from rates expressed in gallons to rates expressed in metric volumes. This is a date that was suggested by the industry and it is convenient for them. This section is needed in order to insure the orderly transition from one standard of measure and one table of tax rates to another totally different standard of measure and corresponding table of tax rates.

Bitters are subjected to the excise tax if the federal government treats them as an alcoholic beverage and taxes them.

The conversion factor for U.S. gallons to liters is the same factor that is contained in Minn. Stat., 1977 Supp., section 340.47, subd. 2b. It is necessary to have this in the rule to give proper understanding and clarity to the conversion in measurements of volume that will occur.

13 MCAR 1.9004 Certification Label Fee: This rule explains the alternative method for the collection of the certification label fee on containers of distilled spirits and wines allowed by Minn. Stat., Section 340.461 Subd. 3a. It details when the fee becomes due, to whom it shall be paid, and what exemptions are allowable. This section is needed in order to provide information on the alternative method of collection to those manufacturers and wholesalers liable for this fee so that they may comply with its provisions in an orderly manner.

Minn. Stat. Section 340.461, subd. 2 provides that the certification label fee stamps are to be sold by the state treasurer at the cost of 1¢ each. Laws 1974, chapter 243 allowed the Liquor Control commissioner to waive the label requirement and to institute an alternative method of paying this fee. The Liquor Control commissioner did institute an alternative method within a few days of the enactment of this law.

Laws 1976, chapter 5 abolished the Department of Liquor Control. The functions of licensing, proper labeling, and the testing of the purity of alcoholic beverages was transferred to the Department of Public Safety. The Revenue Department was charged with the function of administering and collecting the taxes. Section 11 of this law requires the Revisor to make the appropriate changes in the statutes. It is clear that this is a tax and that the Revenue Department should collect and administer it. Since the Liquor Control Department was abolished, the Revenue Department has administered this tax. This results in greater efficiency in reporting and auditing because the tax can be collected as a part of the tax return.

The first four exemptions are based on the provisions of Minn. Stat. Section 340.461, subd. 1. Exemption five is granted because of the provisions of the federal law 4 U.S.C. sec. 107.

Exemption number six is granted for administrative convenience. It would not be reasonable to require apportionment between the various states of the 1¢ imposed on bottles of distilled spirits or wine sold to common carriers. Most of the liquor sales made by common carriers are sales of miniatures which are not subject to this tax.

Exemption number seven is granted because these alcoholic beverages are used to manufacture food, are not drunk as a beverage, and so they should be exempt. The exemption to the pharmaceutical firms is based on Minn. Stat. Section 340.18 which exempts them from the Intoxicating Liquor Act. This exemption is also based on old liquor rules number 7 and 8 of the Department of Liquor Control.

Exemption number eight is provided because these containers are sold outside of

Minnesota. The excise tax on alcoholic beverages is not collected on liquor sold outside of Minnesota and for administrative purposes this exemption has been carried over to the certification label fee. Minn. Stat. Section 340.461, subd. 4 applies only to sales in Minnesota.

Exemption number nine is provided to avoid the possibility of double taxation. Each wholesaler is responsible for this fee on the product that he sells to a retailer.

13 MCAR 1.9005 Monthly Report and Tax Return for Distilled Spirits and Wines: This section deals with the monthly excise tax report which is required of manufacturers and wholesalers of distilled spirits and wine by Minn. Stat. Section 340.485, subd. 1. It details how the return is to be completed, what information must be shown on the return, and what type of transactions may be considered to be exempt from the excise tax. Specifications as to what may be a tax exempt transaction are discussed; and such requirements as the filing of affidavits by authorized food processors, and the inspection of breakage claims by a division employee are prescribed. Controls such as these are necessary to insure that only bona fide tax exemptions are used on the monthly excise tax return. This section is needed to insure the orderly, complete, and correct completion of the monthly excise tax return form LB-56.

Most of this rule is a duplication of old liquor rule number 11 of the Department of Liquor Control. Parts B.1. to B.9. are necessary so that a proper audit can be done of these firms.

There are several exemptions listed under B.6. of this rule. The exemptions contained in B.6. a. through f. are essentially the same as the exemptions that were contained in old liquor rule 11 (f) (1) through (6). Essentially the same documents are required to prove this exemption. Exemption (a) is permitted to avoid the possibility of double taxation. The incident of taxation is when the product leaves the manufacturer or wholesaler's property. Exemption (b) is granted under Minnesota Statutes Section 340.47, subd. 1, no tax is imposed on liquor that has not been sold

in the state of Minnesota. Exemption (c) is granted because common carriers are treated like wholesalers and report the tax under chapter 3 of these rules. Military clubs if they meet the definition provided in these rules are exempt by federal law. Exemption (d) is provided because of Minn. Stat. Section 348.50. Exemption (e) is provided based on Minn. Stat. Section 340.18. Exemption (f) is provided because this product was not sold as is required by Section 340.47, subd. 1. This power is used when the product has become unsaleable because it can't be used as an alcoholic beverage because it is either not fit for consumption or because there were some problems with the bottle.

Exemption B.6.g. was previously allowed for breakage that occurred in transit to the wholesaler's premises. This was allowed under old liquor rule 11(b). This exemption is being extended in these rules to breakage that occurs while in the wholesaler's warehouse. It is reasonable to allow a tax credit for accidents that occur. The tax is imposed on the product that is sold or in possession of any person in Minnesota. The tax is not imposed on a product that is not sold. Reasonable requirements are imposed in this provision to provide proof that the breakage has occurred and that the contents of the bottle were not removed before the bottle was broken. In an April 19, 1948 opinion of the Attorney General, the Attorney General states that refunds need not be allowed when liquor containers are: (1) destroyed by accident, design, or disaster in the hands of a wholesaler; (2) when the containers are broken or destroyed in the hands of a common carrier while moving from a wholesaler to a retailer, or; (3) when containers are broken or destroyed in the hands of the retail dealer. The Attorney General states that it is proper to deny these refunds because "it would be difficult and impractical for your office to determine the facts and the amount of any refund, for that reason I feel that refunds in such cases should not be granted." The Attorney General goes on to state that in the second and third cases where the liquor has left the premises of the wholesaler that "the taxes have already accrued, as the liquor has been sold by a Minnesota wholesaler to a retailer

in Minnesota." Because the tax is imposed on the wholesaler by Section 340.485, subd. 1, no refunds should be granted for breakage that occurs after the goods had left the wholesaler's warehouse.

Part B.7. states that the tax is incurred when the alcoholic beverages are sold to a retailer. The deduction allowed for the return of product from the retailers is essentially identical to the credit allowed under old liquor rule 11 (g). The returned product is still good product and it can be resold so a deduction is a reasonable allowance for unwise purchases made by a retailer. No allowance is made for breakage because the tax was already incurred and the product can't be resold. Part B.8. is included because this usage is taxable since it was used within the state of Minnesota.

13 MCAR 1.9006 Monthly Report for Manufacturers, Wholesalers and Importers: This section deals with the monthly informational return which is required of persons shipping distilled spirits and wine into Minnesota by M.S. 340.485, subd. 3. The section details when to file the return and what information is required to be shown. These returns are necessary so that a comparison may be made between the shippers' report of sales and the wholesalers' report of purchases. Such a comparison is a necessary tool in the administration of the excise tax on alcoholic beverages because it insures a true and correct reporting of purchases by the Minnesota wholesaler.

This rule informs manufacturers, wholesalers, and importers who are licensed to ship distilled spirits and wine into Minnesota of the consequences for failing to file this return with the Department of Revenue; namely that the department will notify the Department of Public Safety who is permitted to revoke the shipper's license of these people. This rule also tells shippers how long they must keep their records.

13 MCAR 1.9007 Records to be Kept: This section discusses what records must be kept by manufacturers, wholesalers and retailers of distilled spirits, wine, and fermented malt beverages within Minnesota. The record keeping process is a vital link in the

chain of administration of the alcoholic beverage excise tax law. The section details what records must be kept, in what form they must be maintained, for how long they must be retained and who shall be allowed access to these records. The record requirements are basically no more than that required of any average prudent businessman. The only additional requirements are those dealing with receiving reports, which are necessary to establish an accurate record of purchases; inventories, which are necessary to establish an accurate count of the stock on hand; and production and bottling reports, which are necessary to indicate what products are to be received into the wholesaler's stock of goods on hand. This complete section is necessary to insure the orderly administration of the excise tax law and to provide an identifiable audit trail for employees of the Department of Revenue. The identifiable audit trail is mandatory if we are to be certain that the correct amount of excise tax has been paid on all alcoholic beverages used within Minnesota.

The provisions contained in Part A.1. relating to the microfilm reproduction of records is to safeguard and to maintain the accuracy of records in proper order for purposes of auditing these records. Currently the industry is not microfilming its records but it is possible that they could in the future.

The requirements imposed in Part A.2. relating to the records kept by electronic data processing methods are imposed to again safeguard the accuracy of these records in their proper form for auditing purposes. These requirements are required to make sure that the computer printouts are not misleading, that the printouts are in usable form, and that the printout can be tied back to the actual physical records for auditing purposes.

Part B of this rule imposes record keeping requirements on retailers. These requirements are essentially the same as the requirements to keep records on the purchases of alcoholic beverages that was imposed in old liquor rule 55.

Part C concerns the records that must be kept by wholesalers. In Part C.1. is the requirement that they complete receiving reports on shipments that they receive.

This requirement is essentially the same as that contained in old liquor rule 11(a). Part C.2. requiring inventories is essentially the same as that requirement contained in old liquor rule 11(c). A certified physical inventory has been historically required because of the large dollar amounts of tax that is imposed on each container of distilled spirits. The requirement that an inventory be taken on June 30th of each year is new with this rule. This is an important verification tool to assist in the auditing of the tax. The rule provides that a waiver of an inventory date can be granted if the waiver is approved by the director. Part C.3. requiring the keeping of records of sales and deliveries is essentially the same as the requirement imposed in old liquor rule 11(e). Part C.4. relating to production and/or bottling records required to be kept by the wholesalers or manufacturers is essentially the same as that contained in old liquor rule 11(d). The third paragraph of this item allows Minnesota bottlers of wine to exempt a certain amount of volume from tax due to leakage or wastage. This exemption is allowed because this product is neither sold nor used in Minnesota. The 2 percent limit on the amount of the volume that can be deducted due to leakage or wastage is the same limit that was contained in old liquor rule 11(d). The retention of these records is necessary so that the necessary auditing to enforce the alcoholic beverage excise taxes can be properly performed.

The provision in Part D. requiring the records to be kept for four years is the same as the requirement contained in old liquor rule 18. The provision allowing an earlier destruction of these records, if written approval is received from the director, is new to these rules. If the necessary auditing has been performed, there should be no reason why the records could not be destroyed before 4 years, if the director approves.

Part E. allowing the Commissioner or his authorized employee to examine books is a power provided in the provisions of Minn. Stat. Section 340.51.

13 MCAR 1.9008 Bond Requirements: This section explains the bonding requirement

imposed on wholesalers of distilled spirits and wine by Minn. Stat. Section 340.485, subd. 2. It details when the bonds are to be filed, with whom they are to be filed and the procedure used to compute the amount of the bond. In addition it provides for an alternative to the bonding requirement, namely the depositing of a certified check with the Director. This is less costly for the smaller wholesalers than requiring them to post a bond. This section is necessary to insure the protection of the State of Minnesota in the event of default in excise tax payments by the wholesalers. It also provides the wholesaler with clear, concise information as to the specifics of his bonding obligation. It is crucial that all this information be provided in one section to provide clarity to the bonding requirement.

Part A of this rule, provides a reasonable deadline by in which the wholesaler will be informed of the amount of bond that needs to be filed. The requirement that the bond be filed by June 20 is to allow reasonable time for the Division to process the bond.

13 MCAR 1.9010 Excise Tax on Fermented Malt Beverages: This section expands and explains Minn. Stat. Section 340.47, subd. 2. It details who pays the excise tax on fermented malt beverages, how the tax is computed, and to whom the tax is paid. The section also describes certain transactions which qualify for tax exempt status. The exemptions contained in part A.1.,3. and 4. are based on Minn. Stat. Section 340.47, subd. 2, in which these exemptions are provided. Exemption contained in part A.5. is again based on the federal law. The exemption contained in part A.2. is based on the fact that fermented malt beverages transferred in bond from one brewery to another has not entered the flow of commerce because it is still under bond. Generally this transfer is accomplished when a company transfers a certain type of beer from one brewery to another brewery that it owns and in which it manufacturers a different type of beer. This exemption is allowed under federal law. The provision insures

that this beer will not be taxed twice and it allows breweries to make proper re-arrangements of their stock of fermented malt beverages. The provision explains that the excise tax does become due once the shipment leaves the bonded premises of the brewery.

This section is necessary to insure the orderly administration of the excise tax law as it pertains to fermented malt beverages. It is important to note that this section does not specify that the volume measurements used in the computation of the excise tax shall be converted to metric measurements, but it specifically states that the standard of measurement shall continue to be the barrel as is provided by the statute.

13 MCAR 1.9011 Monthly Report and Tax Return for Fermented Malt Beverages: This section deals with the monthly excise tax reports which are required by Minn. Stat. Section 340.492. It details who must file the returns, when the returns are due, what information must be shown on the returns, and which transactions are considered exempt from the excise tax. The section imposes certain controls on the reporting procedures to assure that the proper amount of sales are reported and only bona fide tax exemptions are taken on the monthly excise tax return. This section is necessary to insure orderly and correct completion of the monthly excise tax reports.

Brewers of fermented malt beverages are allowed to exempt from tax, beverages that were destroyed under supervision of an employee of the Division of Alcohol, Tobacco, and Special Taxes. These fermented malt beverages would have been destroyed because they had become unsaleable. This provision and the requirement of the filing of the affidavits is essentially the same as the provision contained in old liquor rule 12(d).

Part E.1. requires a second form in addition to LB-128 be filed by out-of-state brewers and wholesalers of fermented malt beverages. This form is to supply addi-

tional information in more detail as to whom the taxable sales were made to and to whom non-taxable sales were made to. The exemption provided in part E.1.c. is the same as that required by Minn. Stat. Section 340.47, subd. 2. These requirements for filing are essentially identical to old liquor rule 14.

Part E.2. provides for the more detailed forms that Minnesota brewers must file in order to report their production and their tax exempt and taxable sales. The tax exempt sales listed under part E.2.d.(1) through (4) are provided in Minn. Stat. Section 340.47, subd. 2, or by federal law. Exemption number 5 is allowed for products that were destroyed by the federal government or the Department of Revenue under part C of this section because they were unsaleable.

The taxable sales listed under part E.2.e. are sales for which the tax has been incurred, namely sales to duly licensed retailers or to the wholesalers. Tax is imposed by statute on the brewer making the sales. Part E.2.e.(2) provides that a consumer is allowed to purchase a certain amount of taxable beer direct from a brewery. The requirements for the forms LB-88 and LB-89 are essentially the same as required in old liquor rule 13.

It is important that these forms be properly filed and completed because the information is necessary to do a proper audit and to safeguard the fact that the tax is to be paid on beer sold by brewers to wholesalers or retailers in the state of Minnesota for eventual sale to consumers. The form LB-128 specified in parts A, B, C, and D is basically a summary in the form of a cover sheet. Part E specifies forms that detail to whom the sales were made. Both forms are important to provide a clear picture of the activity of the brewery.

13 MCAR 1.9012 Monthly Report for Minnesota Fermented Malt Beverage Wholesalers: This section requires a monthly information return from Minnesota wholesalers of fermented malt beverages. This report serves much the same purpose as the monthly information

report required from persons shipping distilled spirits and wine into Minnesota. It enables the department to compare sales as shown by brewers and importers to purchases shown by wholesalers of fermented malt beverages. Such a comparison is a useful tool in the administration of the excise tax law on fermented malt beverages because it insures a true and correct reporting of sales by the brewer or importer.

The report required for Minnesota fermented malt beverage wholesalers is essentially the same report that was required under old liquor rule 16. This new rule in part B warns the wholesalers of the consequences of failure to file the returns. It also informs the wholesaler of the power of the Department of Public Safety to enforce this requirement.

Parts D and E list occurrences when it is possible for wholesalers to become liable for the tax on fermented malt beverages. At this time form LB-128 be filed along with the payment of the tax on the beverages. The requirement imposed in part E is essentially the same requirement as that which was contained in liquor rule 17.

13 MCAR 1.9013 Records to be Kept: This section repeats those requirements of 13 MCAR 1.9007 with one exception; it does not require the brewer, wholesaler, or importer to make periodic certified inventories because the tax amount per unit is substantially smaller. Aside from this difference, the same rationale as applied to section 1.9007 applies to this section so that the proper records are available to the Division to audit and to enforce this tax.

13 MCAR 1.9015 Common Carrier: This section deals with sales of alcoholic beverages from Minnesota wholesalers to licensed common carriers of passengers. The wholesalers are allowed to list sales to common carriers as a tax exempt sale on their monthly excise tax report. However, under Minn. Stat. Section 340.47 the common carrier becomes liable for the excise tax when the alcoholic beverage is sold within Minnesota.

This section is needed as a preface to the next section which describes how the common carrier is to pay this tax.

13 MCAR 1.9016 Monthly Report and Tax Return for Common Carriers: This section deals with the monthly excise tax report which is required of all common carriers selling distilled spirits, wine and fermented malt beverages within Minnesota. It details when the return is to be filed, what information is required on the return and provides for the use of an allocation method of apportioning sales of alcoholic beverages to Minnesota for excise tax purposes. Since it is quite difficult, if not impossible, for common carriers to accurately record alcoholic beverage sales in Minnesota when transporting passengers into, out of, or through the state, some type of allocation system must be provided for. The passenger miles basis mentioned in the section is usually one of the best methods of allocation; however, since not all common carriers are alike, and not all keep the same type of statistics; latitude has been allowed the Director to approve another basis of allocation, if it can be demonstrated that the plan properly and correctly apportions sales of alcoholic beverages for excise tax purposes. This section is necessary to insure the orderly and correct completion of the monthly excise tax return form LB 123.

Appendix

This section has been provided for purposes of illustration only. It gives examples of the various forms and reports used in the administration of the excise tax law on alcoholic beverages. This section is included as an aid to persons involved in this law and is necessary to provide them with clear, concise examples of the proper method of completing forms and reports.

HE file

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE MINNESOTA DEPARTMENT OF REVENUE

IN THE MATTER OF THE PROPOSED)
RULES OF THE MINNESOTA DEPART-)
MENT OF REVENUE RELATING TO)
ALCOHOLIC BEVERAGE EXCISE TAX.)

ORDER OF THE
CHIEF HEARING EXAMINER

WHEREAS, on September 29, 1978, the Minnesota Department of Revenue (hereinafter "Department") by its attorney, Dale H. Busacker, submitted a request to the Chief Hearing Examiner for approval of the incorporation by reference of certain federal regulations in rules to be proposed; and

WHEREAS, pursuant to Minnesota Statutes (1977 Supp.) § 15.0412, Subd. 4, agencies may incorporate by reference provisions of federal law or rule or other materials from sources which the Chief Hearing Examiner determines are conveniently available for viewing, copying and acquisition by interested persons; and

WHEREAS, the Chief Hearing Examiner has reviewed the Code of Federal Regulation Title 27, section 4.10 (e) and sections 4.21 through 4.24 as they existed on April 1, 1977, and has found them to be in excess of 3,000 words and has determined that they would exceed five pages of publication in the State Register; and

WHEREAS, the Chief Hearing Examiner finds that the regulations, being part of the Code of Federal Regulations, are readily available for review, copying and acquisition by interested persons.

NOW, THEREFORE, it is ordered, that the Department shall have the approval of the Chief Hearing Examiner to incorporate by reference in their proposed rules the above-referenced sections of the Code of Federal Regulation Title 27.

Dated this 5th day
of October, 1978.

Duane R. Harves

DUANE R. HARVES
Chief Hearing Examiner

Dept's Exhibit No. 2
File No.

DR-79-047-SM

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE MINNESOTA DEPARTMENT OF REVENUE

IN THE MATTER OF THE PROPOSED)
RULES OF THE MINNESOTA DEPART-)
MENT OF REVENUE RELATING TO)
ALCOHOLIC BEVERAGE EXCISE TAX.)

REPORT OF THE
CHIEF HEARING EXAMINER

WHEREAS, a hearing was held on November 29, 1978, before Steve M. Mihalchick, a Hearing Examiner of the State Office of Hearing Examiners, on the above-entitled matter in compliance with Minn. Stat. § 15.0412, subd. 4; and

WHEREAS, the Report of Hearing Examiner made pursuant to Minn. Stat. § 15.052, subd. 3, was issued to the Department of Revenue on January 8, 1979; and

WHEREAS, the Department of Revenue has now determined to adopt rules pursuant to Minn. Stat. § 15.0412, subd. 4; and

WHEREAS, the Department of Revenue has submitted said rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, subd. 4, and 9 MCAR § 2.110; and

WHEREAS, the Chief Hearing Examiner finds that the final proposed rules are not substantially different from those proposed at the public hearing and that the Department of Revenue has met all requirements of Minn. Stat. § 15.0412, subd. 4.

NOW, THEREFORE, upon receipt of this Report, the Department of Revenue has the responsibility of submitting the complete hearing record and the rules as adopted by the Department to the Attorney General, notifying all persons who requested to be informed that the hearing record has been submitted to the Attorney General, and publishing in the State Register, all pursuant to Minn. Stat. § 15.0412, subd. 4.

Dated this 20th day
of September, 1979.

Duane R. Harves

DUANE R. HARVES
Chief Hearing Examiner

STATE OF MINNESOTA
DEPARTMENT OF REVENUE

IN THE MATTER OF THE PROPOSED ADOPTION OF RULES OF THE DEPARTMENT OF REVENUE GOVERNING THE ALCOHOLIC BEVERAGE EXISE TAX	))))	STATEMENT OF COMPLIANCE WITH MANUAL OF RULE MAKING PROCEDURES

I, Deputy Attorney General C. Hamilton Luther, 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.

C. Hamilton Luther
Deputy Attorney General

Dated: July 29, 1980

HE 1.1c

ADMIN 1000 (Rev. 1/78)

STATE OF MINNESOTA

DEPARTMENT REVENUE

Office Memorandum

RECEIVED
NOV 2 1978
OFFICE OF HEARING EXAMINERS

TO : Steve Mihalchick
Hearing Examiner

DATE: 11/1/78

FROM : Dale H. Busacker DHB
Attorney

PHONE: 1022

SUBJECT: Notice of Intent to Solicit Outside Information or Opinions

A notice of intent to solicit outside information or opinions in the preparation of the proposed Alcoholic Beverage Excise Tax rules was published in the State Register on April 10, 1978 ← An open forum discussion was held on April 28, 1978 with representatives of the Department of Revenue and sixteen representatives of various segments of the alcoholic beverage industry. ← 2 S.R. 1880

Attached please find the following documents:

1. A copy of the letter that was sent by the Division to affected businesses.

2. A copy of the sign-in sheet at the meeting.

3. A copy of the proposed rules as they were available at that meeting. The written notes made on this copy of the proposed rules were made by G. D. Garski, Audit Chief, at the time of the Alcohol, Tobacco & Special Taxes Division.

No written documents were submitted by the industry representatives at that time.

DHB:lmj

Attachments

Dept's Exhibit No. P
File

ADMIN 1000 (Rev. 1/78)
SF-00006-01

STATE OF MINNESOTA

DEPARTMENT REVENUE

Office Memorandum

TO : Joanne Henderaker
Special Assistant Attorney General

DATE: July 30, 1980

FROM : Dorothy McClung
Research Attorney

PHONE: 6-1022

SUBJECT: ALCOHOLIC BEVERAGE EXCISE TAX RULES

Attached is the complete file of the hearing in the matter of the adoption of the rules captioned above. Please contact me if you have any quesions.

DAM:dlw

RECEIVED
JUL 30 1980
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES