

ORDINANCE NO.18 4th SERIES

AN ORDINANCE OF THE CITY OF EAST GRAND FORKS, MINNESOTA, REPLACING CITY CODE CHAPTER 117 ENTITLED "ALCOHOLIC BEVERAGES" AND BY ADOPTING BY REFERENCE CITY CODE CHAPTER 1 AND SECTION 10.99 WHICH, AMONG OTHER THINGS, CONTAIN PENALTY PROVISIONS.

ORDINANCE 117 ALCOHOLIC BEVERAGES

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CHAPTER 117 ALCOHOLIC BEVERAGES

Section

General provisions and regulations

Section 117.01. Provisions of State Law Adopted. The provisions of Minnesota Statutes, Chapter 340A, as amended, with regard to applications for license, conditions of license, restrictions on consumption, provisions on sales, conditions of bonds of licensees, hours of sale and all other matters pertaining to the retail sale, distribution and consumption of Intoxicating Liquor, 3.2 Percent Malt Liquor and Wine are adopted and made a part of this Ordinance, as if set out in full. To the extent that any provisions of this Ordinance conflicts with the provisions of Chapter 340A, the more restrictive provisions shall apply.

Section 117.02. Definitions.

ALCOHOLIC BEVERAGE “Alcoholic Beverage shall mean any beverage containing more than one-half of one percent alcohol by volume.

AFFILIATE OR SUBSIDIARY COMPANY. “Affiliate or subsidiary company” is a company in which a manufacturer or its stockholders own a majority of the stock.

APPLICANT. “Applicant” shall mean any person making an application for a license under this chapter.

APPLICATION. A form with blanks or spaces thereon, to be filled in and completed by the applicant as his or her request for a license, furnished by the city and uniformly required as a prerequisite to the consideration of the issuance of a license for a business.

BONA FIDE CLUB” OR “CLUB. “Bona Fide Club” or “Club” shall mean any organization for social or business purposes or for intellectual, improvement, or athletic purpose where the serving of such Alcoholic Beverages is incidental and not the major purpose of the club. Any such club must be incorporated under the laws of the State of Minnesota, with a paid membership of at least thirty (30) members, must have owned or rented a building or space in a building for more than one (1) year, and be directed by a board, committee or similar body chosen by the membership. The sale shall be to members and their guests.

BREWER. “Brewer” shall mean a person who manufactures malt liquor for sale.

BREW PUB. “Brew Pub” shall mean a brewer who also holds one or more retail on-sale licenses and who manufactures fewer than 3,500 barrels of malt liquor in a year, at any one licensed premises, the entire production of which is solely for consumption on tap on any licensed premises owned by the brewer, or for off-sale from a licensed premises as permitted in section 340A.24, subdivision 2.

BREWER TAPROOM. “Brewer Taproom” shall mean a facility on or adjacent to premises owned by a brewer licensed under Minnesota Statutes §340A.301, Subd. 6(c), (i) or (j) and which produces less than two hundred fifty thousand (250,000) barrels of malt liquor annually, and where the on- sale and consumption of malt liquor produced by the brewer is permitted pursuant to Minnesota Statutes §340A.26.

BULK DISTILLED SPIRITS. “Bulk distilled spirits” means distilled spirits in a container having a capacity in excess of one gallon.

COMMISSIONER. The Minnesota Commissioner of Public Safety.

DEPARTMENT. “Department” is the Department of Public Safety except as otherwise provided.

DESIGNATED AGENT. The manager or other designated individual appointed by the licensee to take full responsibility for the conduct of the licensed premises and for service of process relating to the license.

DISTILLED SPIRITS. “Distilled spirits” is ethyl alcohol, hydrated oxide of ethyl, spirits of wine, whiskey, rum, brandy, gin, and other distilled spirits, including all dilutions and mixtures thereof, for nonindustrial use.

EXCLUSIVE LIQUOR STORE. “Exclusive Liquor Store” shall mean and include any establishment used exclusively for the sale of Intoxicating Liquors at retail, either on or off-sale or both.

FORTIFIED WINE. “Fortified wine” is wine to which brandy, or neutral grape spirits, has been added during or after fermentation resulting in a beverage containing not less than one-half of one percent nor more than 24 percent alcohol by volume for nonindustrial use.

FARM WINERY. “Farm winery” is a winery operated by the owner of a Minnesota farm and producing table, sparkling, or fortified wines from grapes, grape juice, other fruit bases, or honey with a majority of the ingredients grown or produced in Minnesota.

GROWLER. “Growler” shall mean a sixty-four (64) ounce container used in the package and sale of malt liquor.

HOME BREWING EQUIPMENT. “Home brewing equipment” means portable equipment designed for use in home manufacturing of malt liquor in quantities of ten gallons or less and supplies and ingredients for home manufacture of malt liquor.

HOTEL. An establishment where food and lodging are regularly furnished to transients and which has a resident proprietor or manager, a dining room serving the general public at tables and having facilities for seating at least 30 guests at 1 time; and at least 10 guest rooms.

INFUSED BEVERAGE. “Infused beverage” shall mean an alcoholic beverage flavored through infusion with added ingredients.

ILLEGAL SALE. “Illegal Sale” shall mean such sale conducted in violation or evasion of law.

LICENSE. "License" shall mean any license granted under this Ordinance.

LICENSE FEE. "License Fee" shall mean the money paid to the city pursuant to an application and prior to issuance of a license to transact and carry on the business stated therein.

LICENSED PREMISES. The space or structure described in the issued license. In the case of a restaurant or a club licensed for on-sales of alcoholic beverages and located on a golf course, *licensed premises* means the entire golf course except for areas where motor vehicles are regularly parked or operated.

LICENSEE. An applicant who, pursuant to his or her approved application, holds a valid, current, unexpired license, which has neither been revoked nor is then under suspension from the city for carrying on the business stated therein.

LIQUOR AND INTOXICATING LIQUOR. "Liquor" and "Intoxicating Liquor" shall mean and include ethyl alcohol and include distilled, fermented, spirituous, vinous and malt beverages containing in excess of 3.2 percent of alcohol by weight.

LOW-ALCOHOL MALT LIQUOR. "Low-alcohol malt liquor" is a fermented malt beverage containing two percent or less of alcohol by weight. Notwithstanding any law or rule to the contrary, if either; (a) the term "low alcohol" appears on the label of the beverage container; or (b) a brewer has provided written certification to the Department of Public Safety establishing an alcoholic content of two percent or less by weight; no further label shall be required on that container.

MALT LIQUOR. "Malt Liquor" is any beer, ale, or other beverage made from malt by fermentation and containing not less than one half of one percent (.05%) alcohol by volume.

3.2 PERCENT MALT LIQUOR. "3.2 Percent Malt Liquor" shall mean any potable malt beverage with an alcoholic content of more than 1.5 percent by volume and not more than 3.2 percent by weight.

MANUFACTURER. "Manufacturer" is every person who, by any process of manufacture, fermenting, brewing, distilling, refining, rectifying, blending, or by the combination of different materials, prepares or produces alcoholic beverages for sale.

MICRODISTILLERY. "Microdistillery" shall mean a distillery operated within the state producing premium, distilled spirits in total quantity not to exceed 40,000 proof gallons in a calendar year.

MINOR. "Minor" with respect to purchasing, possessing, consuming, selling, furnishing, and serving alcoholic beverages, a person is not 21 years of age until 8:00 a.m. on the day of that persons 21st birthday.

MIXED DRINKS OR COCKTAILS AT ON-SALE PREMISES. "Mixed Drinks or Cocktails at On-Sale Premises." "Mixed drink" includes drinks commonly referred to as cocktails, and "infused beverages" are alcoholic beverages flavored through infusion with added ingredients.

ON-SALE. "On-Sale" shall mean the sale of Alcoholic Beverages for consumption on the licensed premises only.

OFF-SALE. "Off-Sale" shall mean the sale of Alcoholic Beverages in original packages in retail stores for consumption off or away from the licensed premises where sold.

PACKAGE OR ORIGINAL PACKAGE. "Package" or "Original Package" shall mean and include any container or receptacle holding liquor, in which container or receptacle is corked or sealed.

PERSON. "Person" shall include persons, corporations, partnerships, and other unincorporated associations.

PROOF GALLON. A "proof gallon" is one liquid gallon of distilled spirits that is 50 percent alcohol at 60 degrees Fahrenheit.

PUBLIC FACILITY. "Public facility" is a park, community center, or other accommodation or facility owned or managed by or on behalf of a subdivision of the state, including any county, city, town, township, or independent district of the state.

RESTAURANT. "Restaurant" shall mean an establishment, other than a hotel, under the control of a single proprietor or manager, having appropriate facilities for serving meals, and where, in consideration of payment therefore, meals are regularly served at tables to the general public, and which employs an adequate staff to provide the usual and suitable service to its guests and having seating capacity for at least 30 guests.

SALE AND SELL. "Sale" and "Sell" shall mean and include all barbers, and all manners or means of furnishing Alcoholic Beverages as above described.

TABLE OR SPARKLING WINE. "Table or sparkling wine" is a beverage made without rectification or fortification and containing not more than 25 percent of alcohol by volume and made by the fermentation of grapes, grape juice, other fruits, or honey.

THEATER. "Theater" shall mean a building containing an auditorium in which live dramatic, musical, dance, or literary performances are regularly presented to holders of tickets for those performances.

WHOLESALE. Any person engaged in the business of selling alcoholic beverages to a licensee from a stock maintained in a warehouse.

WINE. The product made from the normal alcoholic fermentation of grapes, including still wine, sparkling and carbonated wine, wine made from condensed grape must, wine made from other agricultural products than sound, ripe grapes, imitation wine, compounds sold as wine, vermouth, cider, perry and sake. (This definition includes *WINE COOLERS* with the alcoholic content limits stated herein.) For purposes of on-sale wine licenses, *WINE* may contain up to 14% alcohol by volume for consumption with the sale of food. For all other purposes, *WINE* is a product containing not less than 0.5% nor more than 24% alcohol by volume for nonindustrial use.

Section 117.03. License Required. No person, except a wholesaler or manufacturer to the extent authorized under state license, shall directly or indirectly manufacture, import, sell,

exchange, barter, dispose of or keep for sale any Intoxicating Liquor, 3.2 Percent Malt Liquor or Wine not exceeding twenty-four percent (24%) alcohol by volume without first obtaining a license as provided in this Ordinance.

- A. On-Sale Licenses – Intoxicating Liquor. The City shall issue On-Sale Licenses to permit the consumption of Alcoholic Beverages on the premises only. Said On-Sale Licenses shall be granted to Bona Fide Clubs, theaters, restaurants and Exclusive Liquor Stores.
- B. Off-Sale Licenses. The City shall issue Off-Sale Licenses to permit the sale of Intoxicating Liquor, 3.2 Percent Malt Liquor and/or Wine at retail or wholesale in the original package for consumption off the premises only.
- C. On-Sale License – 3.2 Percent Malt Liquor. The City shall issue On-Sale Licenses for 3.2 Percent Malt Liquor on the premises only. Said On-Sale Licenses shall be granted only to drug stores, cafes, Bona Fide Clubs, restaurants, hotels, bowling centers, theaters and golf courses and shall permit the sale of 3.2 Percent Malt Liquor for consumption on the premises only.
- D. Temporary On-Sale License.
 - 1. Temporary On-Sale License may be granted to a Bona Fide Club or charitable, religious or non-profit organization in existence of 3 years for an event lasting not more than four (4) consecutive days subject to the terms and conditions set by the City Council. The license may authorize the sale of 3.2 Percent Malt Liquor, Wine or Intoxicating Liquor, and may authorize sales on premises other than premises the licensee owns or permanently occupies. The license may provide that the licensee may contract for Intoxicating Liquor catering services with the holder of a full-year On-Sale Intoxicating Liquor License issued by the city. Licenses for the sale of Intoxicating Liquor under this Subdivision are not valid unless first approved by the Commissioner of Public Safety.
 - 2. The City may issue to a brewer who manufactures fewer than 3,500 barrels of malt liquor in a year or a microdistillery a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the brewer begin or microdistillery. The terms and conditions specified for temporary licenses under paragraph A. shall apply to a license issued under this paragraph, except that the requirements of section 340A.409 (liability insurance) shall apply to the license.
- E. On-Sale Wine Licenses. A person holding a current valid On-Sale Intoxicating Liquor License from the City, may directly or indirectly deal in, sell, or keep for sale in the City any Wine not exceeding twenty-four percent (24%) alcohol by volume, for consumption on the licensed premises only. An On-Sale Wine License may be issued only to a theater or a restaurant having facilities for seating not fewer than thirty (30) guests at one time.
- F. Temporary off-sale wine licenses, with the approval of the Commission of Public Safety, may be issued for the off-sale of wine at an auction. A license issued under

this subdivision authorizes the sale of only vintage wine of a brand and vintage that is not commonly being offered for sale by any wholesaler in Minnesota. The license may authorize the off-sale of wine for not more than three consecutive days provided not more than 600 cases of wine are sold at any auction. The licenses are subject to the terms, including license fee, imposed by Section 10.

G. License Exemptions.

1. A holder of an On-Sale Wine License who is also licensed to sell 3.2 Percent Malt Liquor may also sell intoxicating malt liquor (strong beer) at On-Sale without an additional license.
2. Any person licensed to sell Intoxicating Liquor at On-Sale shall not be required to obtain an additional On-Sale License for the sale of 3.2 Percent Malt Liquor or Wine.
3. Any person licensed to sell Intoxicating Liquor at Off-Sale shall not be required to obtain an Off-Sale License for the sale of 3.2 Percent Malt Beverages.

H. Growlers.

1. Growlers shall bear a twist-type closure, cork, stopper, or plug. At the time of sale, a paper or plastic adhesive band, strip, or sleeve shall be applied to the container or bottle and extended over the top of the twist-type closure, cork, stopper, or plug forming a seal that must be broken upon opening the container or bottle. The adhesive band, strip, or sleeve shall bear the name and address of the brewer. The containers or bottles shall be identified as malt liquor, contain the name of the malt liquor, bear the name and address of the brew pub or brewer selling the malt liquor, and shall be considered intoxicating liquor unless the alcoholic content is labeled as otherwise in accordance with the provisions of Minnesota Rules, part 7515.1100.
2. A brew pub or brewer may, but is not required to, refill any growler with malt liquor for off-sale at the request of the customer. A brew pub or brewer refilling a growler must do so at its licensed premises and the growler must be filled at the tap at the time of sale. A growler refilled under this paragraph must be sealed and labeled in the manner described in paragraph A, above.

I. Small Brewer Off-Sale.

1. License. A brewer licensed under Minnesota Statute § 340A.301, subdivision 6, clause (c), (i), or (j), may be issued a license by the City for off-sale of malt liquor at its licensed premises that has been produced and packaged by the brewer. A brewer may only have one license under this section. The amount of malt liquor sold at off-sale may not exceed 500 barrels annually. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the City, and the malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores.

Packaging of malt liquor for off-sale under this subdivision must comply with section 340A.285 and City Code Section 117.03 subd.(H). In accordance with state law, the license must be approved by the commissioner of public safety.

2. Prohibition. The City will not issue a license under this section to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than 20,000 barrels of its own brands of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.
3. Fee. The City shall impose a licensing fee on a brewer holding a license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 3, paragraph (a) and in accordance with the East Grand Forks Schedule of Fee Charges.

J. Brew Pubs.

1. On-sale license. A brew pub may be issued an on-sale intoxicating liquor or 3.2 percent malt liquor license by the City for a restaurant operated in the place of manufacture.
2. Off-sale license. A brew pub that holds an on-sale license may be issued a license by the City for off-sale of malt liquor produced and packaged on the licensed premises. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the City and the malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time. Packaging of malt liquor for off-sale under this subdivision must comply with Minnesota Statute § 340A.285 and Section 117.03 subdivision (H), above.
3. Total retail sales. A brew pub's total retail sales at on- or off-sale under this section shall not exceed 3,500 barrels per year, provided that off-sales may not total more than 500 barrels.
4. Interest in other license and prohibition. A brew pub in the City must comply with the interest in other license provisions, and the prohibition provisions, provided by Minnesota law and codified in Chapter 340A.

K. Brewer Taprooms.

1. Brewer taproom license. The City may issue the holder of a brewer's license under Minnesota Statute § 340A.301, subdivision 6, clause (c), (i), or (j), a brewer taproom license. A brewer taproom license authorizes on-sale of malt liquor produced by the brewer for consumption on the premises of or adjacent to one brewery location owned by the brewer. Nothing in this ordinance precludes the holder of a brewer taproom license from also holding a license to operate a restaurant at the brewery. Minnesota Statute § 340A.409 (liability insurance) shall apply to a license issued under this ordinance. A brewer may

only have one taproom license under this ordinance and may not have an ownership interest in a brew pub.

2. Prohibition. The City shall not issue a brewer taproom license to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than 250,000 barrels of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.
3. Fee. The City shall impose a licensing fee on a brewer holding a brewer taproom license under this subdivision, subject to limitations applicable to license fees under Minnesota Statute § 340A.408, subdivision 2, paragraph (a) and in accordance with the East Grand Forks Schedule of Fee Charges.
4. City to inform commissioner. Pursuant to Minnesota Statute § 340A.26 subd. 4, the City shall, within ten days of the issuance of a license under this subdivision, inform the commissioner of the licensee's name and address and trade name, and the effective date and expiration date of the license. The City shall also inform the commissioner of a license transfer, cancellation, suspension, or revocation during the license period.
5. Sunday on-sale. A brewer taproom may be open and may conduct on-sale business on Sundays, provided that the brewer taproom complies with City Code 117.15 Hours of Operation.

L. Microdistilleries.

1. Activities. A microdistillery may operate in the City if it has met all State licensing requirements and it may provide on its premises samples of distilled spirits manufactured on its premises, in an amount not to exceed 15 milliliters per variety per person. No more than 45 milliliters may be sampled under this paragraph by any person on any day. A microdistillery can sell cocktails to the public if it has a cocktail room license issued by the City.
2. Cocktail room license. The City may issue the holder of a microdistillery license a microdistillery cocktail room license, which authorizes on-sale of distilled liquor produced by the distiller for consumption on the premises of or adjacent to one distillery location owned by the distiller. Nothing in this ordinance precludes the holder of a microdistillery cocktail room license from also holding a license to operate a restaurant at the distillery. Section 340A.409 shall apply to a license issued under this subdivision. A distiller may only have one cocktail room license under this ordinance and may not have an ownership interest in a distillery licensed under section 340A.301, subdivision 6, paragraph (a). No single entity may hold both a cocktail room and taproom license, and a cocktail room and taproom may not be co-located.
3. Licensing Fee. The City shall impose a licensing fee on a distiller holding a microdistillery cocktail room license under this subdivision, subject to

limitations applicable to license fees under section 340A.408, subdivision 2, paragraph (a) and in accordance with the City of East Grand Forks Schedule of Fee Charges. Additionally, pursuant to Minnesota Statute 340A.22 subdivision 3, the microdistiller must pay all licensing fees required by the Minnesota commissioner of public safety.

4. City to inform commissioner. Pursuant to Minnesota Statute § 340A.26 subd. 4, the City shall, within ten days of the issuance of a license under this subdivision, inform the commissioner of the licensee's name and address and trade name, and the effective date and expiration date of the license. The City shall also inform the commissioner of a license transfer, cancellation, suspension, or revocation during the license period.
 5. Off-sale license. A microdistillery may be issued a license by the City for off-sale of distilled spirits. The license allows for the sale of one 375 milliliter bottle per customer per day of product manufactured on-site, subject to the requirements that: (1) off-sale hours of sale must conform to hours of sale for retail off-sale licensees in the City; and (2) no brand may be sold at the microdistillery unless it is also available for distribution by wholesalers.
 6. A microdistiller temporary on-sale intoxicating liquor license may be issued to the holder of a state microdistillery license. A microdistillery temporary on-sale intoxicating liquor license authorizes on-sale of intoxicating liquor in connection with a social event within the city sponsored by the microdistillery.
- M. One Day Consumption License. One day consumption and display permits with the approval of the Commissioner of Public Safety to a nonprofit organization in conjunction with a social activity in the city sponsored by the organization.
- N. Approval of the issuance of a consumption and display permit by the Commissioner of Public Safety. The maximum amount of the additional fee which may be imposed by the Council on a person who has been issued a consumption and display permit under the provisions of Section 10 of this ordinance shall not exceed \$300, or the maximum amount permitted by Minn. Stat. § 340A.414, subd. 6, as it may be amended from time to time. Consumption and display permits shall expire on March 31 of each year.
- O. Culinary class limited on-sale licenses may be issued to a business establishment not otherwise eligible for an on-sale intoxicating liquor license that, as part of its business, conducts culinary or cooking classes for which payment is made by each participant or advance reservation required. The license authorizes the licensee to furnish to each participant in each class, at no additional cost to the participant, up to a maximum of six ounces of wine or 12 ounces of intoxicating malt liquor, during and as part of the class, for consumption on the licensed premises only.
- P. Combination on-sale/off-sale intoxicating liquor licenses if the city has a population less than 10,000.

Q. Caterer's Permit. (*State permit required.*)

1. **Illegal Sale.** It shall be unlawful for the holder of a Caterer's Permit to sell alcoholic beverages off the holder's licensed premises in the City of East Grand Forks, except as an incidental part of the service of prepared meals at an event sponsored by a person with whom the holder has contracted for such prepared meal service.
2. **Illegal Interest.** It shall be unlawful for the person who has contracted with the holder for prepared meal service to have any legal, equitable or pecuniary interest in the holder, or the holder's compensation from the catered event.
3. **Information Required.** Except for holders who also hold an on-sale intoxicating liquor license issued by the City of East Grand Forks, it is unlawful for any person holding a Caterer's Permit to sell or otherwise provide alcohol to any individual or group located within the corporate boundaries of the City of East Grand Forks unless said person has first provided the Police Chief for the City of East Grand Forks with the following:
 - a. A copy of their valid caterer's permit as issued by the State of Minnesota, and
 - b. A copy of their valid on-sale liquor license as issued by the city where their primary on-sale liquor premises is located, and
 - c. A copy of their dram shop insurance policy clearly indicating that dram shop coverage is currently in force, and
 - d. A completed caterer's permit application form, and
 - e. Payment of an application fee as set by resolution by the City Council of East Grand Forks.

Section 117.04. Application for License.

- A. Every applicant for the following licenses must verify and file the application with the City Clerk: On-Sale or Off-Sale Liquor, 3.2 Percent Malt Liquor, Wine, Brew Pub Off-Sale, Brew Pub On-Sale, Small Brewer Off-Sale, Microdistillery Off-Sale, Brewer Taproom, or Cocktail Room. The application shall state the applicant's name, the applicant's date of birth, representation as to the applicant's character with any references as may be required, the applicant's citizenship, whether the sale is for "On-Sale" or "Off-Sale", the business in connection with which the proposed licensee shall operate and its location, whether applicant is an owner of the business, how long he or she has been in that business at that place, and any other information the City Council may require. In addition to containing this information, each application for a license shall be in the form prescribed by the City Council. . The application shall specifically describe the compact and contiguous premises within which liquor may be dispensed and consumed. The description may not include any parking lot or sidewalk. Applications, including all supporting documentation must be submitted to the City Clerk by May 1 for consideration for a license for the following year.

- B. **Applications For Renewal.** At least 60 days before a license issued under this ordinance is to be renewed, an application for renewal shall be filed with the city. Every application for the issuance or renewal of an intoxicating liquor, 3.2% malt liquor, or wine license must include a copy of each summons and complaint received by the applicant during the preceding year under M.S. §340A.802, as it may be amended from time to time. The decision whether or not to renew a license rests within the sound discretion of the Council. No licensee has a right to have the license renewed.

No person shall make a false statement in an application or renewal application.

Section 117.05. Liability Insurance.

- A. **Coverage Required.** An applicant shall file a liability insurance policy with the City Clerk covering any time that the person or entity holds the following licenses: On-Sale or Off-Sale Liquor, 3.2 Percent Malt Liquor, Wine, Brew Pub Off-Sale, Brew Pub On-Sale, Small Brewer Off-Sale, Microdistillery Off-Sale, Brewer Taproom, or Cocktail Room. The City Council shall set the amount of the liability insurance policy, but in no event shall the limits be lower than required by Minnesota Statute §340A.409, as amended. The City Council may change the amount of required coverage with proper notice to affected business establishments before May 1 of any year. The liability insurance policy must specifically provide for payment by the insurance company, on behalf of the insured, all sums that the insured shall become obligated to pay by reason of liability imposed upon the insured by law for injuries or damages to person or persons other than employees, including the liability imposed upon the insured by reason of Minnesota Statutes §340A.801. The liability insurance policy shall be in effect from license issuance through December 31st and shall provide further that no cancellation for any cause can be made either by the insured or the insurance company without first giving ten (10) days written notice to the City of intention to cancel the same, addressed to the City Clerk, and shall provide that no payment of any claim by the insurance company shall in any manner decrease the coverage provided for in respect to any other claim or claims brought against the insured or company thereafter. The policy shall pay to the extent of the principal amount of the policy any damages for death or injury caused by or resulting from the violation of any law relating to the business for which the liquor license has been granted.
- B. **Approval Required.** The liability insurance policy offered under Subdivision 1 of this Section shall be approved by the City Council. Liability insurance policies shall be approved as to form by the City Attorney. Operation of a licensed business without having on file with the City at all times effective security as required in Subdivision 1 of this Section is a cause for revocation of the license.

Section 117.06. License Fees.

- A. No license or other fee established by the city shall exceed any limit established by Minn. Stat. Ch. 340A, as it may be amended from time to time, for a liquor license.
- B. The Council may establish from time to time in the Ordinance Establishing Fees

and Charges the fee for any of the liquor licenses it is authorized to issue. No liquor license fee shall be increased without providing mailed notice of a hearing on the proposed increase to all affected licensees at least 30 days before the hearing.

- C. The fee for all licenses, except temporary licenses, granted after the commencement of the license year shall be prorated on a quarterly basis.
- D. All license fees shall be paid in full at the time the application is filed with the city. If the application is denied, the license fee shall be returned to the applicant.
- E. A refund of a pro rata share of an annual license fee may occur only if authorized by Minn. Stat. § 340A.408, subd. 5, as it may be amended from time to time, but not the investigation fee set forth in Section 117.07 below.
- F. Effective Dates. Each license under this Code Section shall be issued for a period of one (1) year, from July 1 through June 30.
- G. Off-sale intoxicating liquor licensees may request a reduction in their annual license fee by the amount specified in Minn. Stat. § 340A.408 if at the time of initial application or renewal they:
 - 1. Agree to have the East Grand Forks Police Department or a private vendor approved by the city train all employees within 60 days of hire and annually thereafter in laws pertaining to the sale alcohol, the rules for identification checks, and the responsibilities of establishments serving intoxicating liquors.
 - 2. Post a policy requiring identification checks for all persons appearing to be 35 years old or less;
 - 3. Establish a written cash award and incentive program to award employees who catch underage drinkers and a written penalty program to punish employees in the event of a failed compliance check;
 - 4. Failure to abide by the provisions of this paragraph may result in suspension of the license until the conditions of the fee reduction are met and may result in suspension and/or revocation of the license pursuant to Section 117.28 of this ordinance.

Section 117.07. Granting of Licenses.

- A. Council Discretion To Grant Or Deny A License. The Council in its sound discretion may either grant or deny the application for any license or for the transfer or renewal of any license. No applicant has a right to a license under this ordinance.
- B. Preliminary Investigation. On an initial application for a license, the applicant shall pay with the application an investigation fee established by the City Council and set forth in City of East Grand Forks Schedule of Fee Charges, for which the City shall conduct a preliminary background and financial investigation of the applicant. The application shall be made on a form prescribed by the State of Minnesota Bureau of

Criminal Apprehension and with such additional information as the City Council may deem necessary. If the City Council deems it in the public interest to have an investigation made on a particular application for renewal of an "On-Sale" License, it shall so determine. In any case, if the City Council determines that a comprehensive background and financial investigation of the applicant is necessary, it may conduct the investigation through the police department, or contract with the Bureau of Criminal Apprehension for such investigation. The City Council shall not issue or renew a license if the results show to the satisfaction of the City Council that issuance or renewal would not be in the public interest. If an investigation outside the State is required, the applicant shall be charged the costs established in the City of East Grand Forks Schedule of Fee Charges which shall be paid by the applicant after deducting any initial investigation fee already paid. The applicant shall pay the fee whether or not the license is granted. Opportunity shall be given to any person to be heard for or against the granting of the license.

- C. Issuance. The City Council shall investigate all facts set out in the application and not investigated in the preliminary background and financial investigation conducted pursuant to Subdivision B of this Section. No license shall become effective until it, together with the security information furnished by the applicant, has been approved by the City Council or the Commissioner of Public Safety.
- D. Person and Premises Licensed. The City Council shall issue each license only to the applicant and for the premises described in the application. All licensed premises shall post the license in a conspicuous place at all times. For the purpose of this Ordinance, the licensed premise may include a patio area contiguous to the building. The City may impose conditions upon the license, including but not limited to screening requirements, additional security measures, or limiting the hours of liquor consumption on the patio, in order to minimize impacts of the use of the patio area on neighboring properties.
- E. Persons Ineligible for License. No license shall be granted to or be held by any person:
1. Under the age of twenty-one (21) years;
 2. Who is not of good moral character or repute;
 3. Who is or has been convicted of any violation of any law in the United States or the State of Minnesota, or of any local ordinance regarding the manufacture, sale, distribution, or possession for sale or distribution of Intoxicating Liquor, 3.2 Percent Malt Liquor or Wine, or whose license has been revoked or who has committed a willful violation of any such laws or ordinances.
 4. Who is a manufacturer or wholesaler of Intoxicating Liquor, 3.2 Percent Malt Liquor or Wine, or is interested directly or indirectly in the ownership or operation of any such business.
 5. Who is directly or indirectly interested in any other establishment in the City to

which a license of the same class has been issued under this Ordinance.

6. Who has had a license issued under this Ordinance (or prior ordinances) that has been revoked for cause within five (5) years of the date of license application, or to any person who at the time of the violation owned any interest in the premises or business for which a license was revoked.

Section 117.08. Places Ineligible for License.

- A. General Prohibition. The City shall not issue a license for any place or any business ineligible for a license under state laws.
- B. Delinquent Taxes and Charges. The City shall not issue a license for operation on any premises on which taxes, assessments, or other financial claims of the City are delinquent and unpaid.

Additionally, no license under this chapter shall be granted for operation on any premises upon which taxes, assessments, or installments thereof, or other financial claims of the city are owed by the applicant and are delinquent and unpaid. For the purpose of this section APPLICANT includes persons and related person:

1. Owning at least a 50% beneficial interest in the proposed license or in the entity making the application; and
 2. At least an undivided 1/2 interest in the premises proposed to be licensed or at least a 50% beneficial interest in the entity owning the premises.
- C. Charges. The charges in Subdivision B of this Section may relate but not limited to unpaid water bills, unpaid utility bills, unpaid city fees, unpaid property taxes, unpaid assessments or unpaid financial obligations to the Economic Development Authority to the City and in being consistent with the policies of the City Council, may relate to charges for legal fees incurred while enforcing the provisions of this Ordinance against the licensee or the licensee's bona fide employees.

Section 117.09. Conditions of License. Every "On-Sale" or "Off-Sale" License is subject to the conditions in the following Subdivisions and all other provisions of this Ordinance, and to regulations promulgated by the Commissioner of Public Safety, and to State laws that are applicable to liquor violations.

Section 117.10. Transfer. The City Council shall issue each license only to the applicant and for the premises described in the application. No license may be transferred to another person or place without council approval. Any transfer of stock of a corporate licensee, membership unit of a Limited Liability Company or ownership interest in a partnership is deemed a transfer of the license. It is unlawful to make any transfer in violation of this subsection, and any such transfer without prior Council approval is grounds for revocation of the license. An application to transfer a license shall be treated the same as an application for a new license, and all of the provisions of this code applying to applications for a license shall apply.

Section 117.11. Licensee's Responsibility.

- A. Every licensee shall be responsible for the conduct of the licensee's place of business and the condition of sobriety and order in it. It shall be the licensee's responsibility to employ reputable employees that shall conduct business in his or her absence in a legal manner. The act of any employee on the licensed premises authorized to sell Intoxicating Liquor, 3.2 Percent Malt Liquor or Wine, or any entity licensed to run a Brewer Taproom or Cocktail Room, shall be deemed the act of the licensee as well, and the licensee shall be liable for all penalties provided by this Ordinance and the law equally with the employee. No licensee shall keep, possess, or operate, or permit the keeping, possession, or operation of, on the licensed premises, or in any room adjoining the licensed premises, any slot machine, dice or any gambling device or apparatus, nor permit any gambling, nor permit the licensed premises or any room in the same, to be used as a resort for prostitutes or other disorderly persons except that gambling devices may be kept or operated and raffles permitted if licensed by the local unit of government in accordance with Minnesota Statutes §349.26.
- B. Mixed drinks, cocktails, or infused beverages that are mixed on the premises and are not for immediate consumption may be consumed on the licensed premises if the following conditions are met:
1. Mixed drinks or cocktails shall be stored, for no longer than 72 hours, in a labeled container in a quantity that does not exceed five gallons.
 2. Infused beverages may be stored in containers in a quantity not to exceed five gallons.
 3. Added flavors and other non-beverage ingredients included in the mixed drinks or infused beverages shall not include hallucinogenic substances or added pure or supplemental caffeine or other added stimulants including but not limited to guarana, ginseng, and taurine.
 4. The licensee shall keep records as to when the contents in a particular container were mixed and the recipe, including brand names, used for that mixture.

Section 117.12. Inspections. Every licensee shall allow any police officer, health officer, or properly designated officer or employee of the City to enter, inspect and search the premises of the licensee without a warrant during business hours, and within one and one-half (1 ½) hours after the closing time as prescribed by law, without warrant. The Chief of Police, or the Chief of Police's designated agents, shall conduct periodic checks and compliance checks of "On-Sale" or "Off-Sale" Licensed premises to ensure that the requirements of this Ordinance are not being violated.

Section 117.13. Gambling. No gambling nor any gambling device prohibited by law shall be permitted in any licensed premises.

Section 117.14. Nudity and Sexual Conduct Prohibited. The following acts or conduct

on licensed premises shall be strictly prohibited:

- A. To employ or use any person in the sale or service of Alcoholic Beverages in or upon the licensed premises while such person is unclothed or in such attire, costume or clothing so as to expose or to view any portion of the female breast below the top of the areola or of any portion of the pubic hair, anus, cleft of the buttocks, vulva or genitals.
- B. To employ or use services of any host or hostess while the host or hostess is unclothed or in such attire, costume or clothing as described in Subdivision 1 of this Section.
- C. To employ or use any dancers, musicians, or other performers or entertainers, who are unclothed or in such attire, costume or clothing as described in Subdivision 1 of this Section.
- D. To directly or indirectly sponsor any contests which may foreseeably cause, result in or lead to the occurrence of the acts or incidents described in Subdivision 6 of this Section.
- E. To encourage or permit any person on the licensed premises to touch, caress or fondle breasts, buttocks, anus or genitals of any employee of the licensee or any performers or entertainers who are employed or whose services are used by the licensee.
- F. To permit any person to perform acts of or acts which simulate:
 - 1. With or upon another person sexual intercourse, sodomy, oral copulation, flagellation or any sexual act which is prohibited by law;
 - 2. Masturbation or bestiality;
 - 3. With or upon another person the touching, caressing or fondling of the buttocks, anus, genitals or female breasts;
 - 4. The displaying of the pubic hair, anus, vulva, genitals or female breasts below the top of the areola;
- G. To permit any person to use artificial devices or inanimate objects to depict any of the prohibited activities described in this Section.
- H. To permit any person to remain in or upon the licensed premises, or any area owned or controlled by the licensee which is viewable from upon the licensed premises, who exposes to public view any portion of his or her genitals or anus.
- I. To permit the showing of film, still pictures, electronic reproduction, or other visual reproduction depicting:
 - 1. Acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation, or any sexual act which is

prohibited by law.

2. Any person being touched, caressed or fondled on the breast, buttocks, anus or genitals.
 3. Scenes where a person displays the vulva, the anus or the genitals.
 4. Scenes wherein artificial devices or inanimate objects are employed to depict, or drawings are employed to portray, any of the prohibited activities described herein.
- J. Any person violating any portion of this Section shall be guilty of a misdemeanor. Any violation of this Section shall also constitute grounds for revocation or suspension of the licensee's license, in accordance with the rules and procedures otherwise established by this Ordinance and State law.

Section 117.15. Hours of Operation.

- A. Times. No "On-Sale" of Intoxicating Liquor, 3.2 Percent Malt Liquor or Wine shall be made after 2:00 a.m. on Sunday nor until 8:00 a.m. on Monday, except as allowed by M.S.A. §340A.504, Subd. 3, nor between the hours of 2:00 a.m. and 8:00 a.m. on any weekday or Saturday. All sales after 1:00 a.m. are subject to additional permit requirements under Minn. Stat. 340A.504, Subd. 7. No "Off-Sale" shall be made before 8:00 a.m. or after 10:00 p.m. on any day. No "Off-Sale" shall be made anytime on Sundays unless otherwise allowed by state law. No "Off-Sale" shall be made on Thanksgiving Day; or after 8:00 p.m. on December 24 or all day on December 25. By license, the City Clerk may, upon approval by the City Council, issue a permit for a liquor vendor to sell Intoxicating Liquor for consumption on the premises in conjunction with the sale of food between the hours of 8:00 a.m. on Sunday and 2:00 a.m. on Monday, provided that the licensee is in conformance with the Minnesota Clean Air Act. All other license holders in the City who have not applied and do not qualify for serving liquor in the establishment in conformance with the service of food shall maintain the hours of 12:00 p.m. Sunday to 1:00 a.m. Monday morning.
- B. Restriction. All persons, except the licensee, his or her bona fide employees, and law enforcement officers, shall be excluded from the premises within thirty (30) minutes after the expiration of the time on any day when Intoxicating Liquor, 3.2 Percent Malt Liquor or Wine may be legally sold on the premises. Each licensee shall be required to keep a current written list setting forth the names of current employees, including their names, addresses and social security numbers. This list shall be provided to members of the police department or other persons acting on behalf of the City upon demand. It shall be unlawful to permit the consumption or displaying of Intoxicating Liquor, 3.2 Percent Malt Liquor or Wine later than thirty (30) minutes after the sale of such Intoxicating Liquor, 3.2 Percent Malt Liquor or Wine. It shall be conclusively presumed that any Intoxicating Liquor, 3.2 Percent Malt Liquor or Wine remaining on a bar, or in a booth, or on a table, shall be for the purpose of consuming the same in violation of this Section.

Section 117.16. Persons to Whom Sale is Illegal.

- A. No person to whom the sale of Intoxicating Liquor or Non-Intoxicating Liquor is forbidden by State law in "On-Sale" or "Off-Sale" Licensed premises shall misrepresent his or her age for the purpose of obtaining Intoxicating Liquor or Non-Intoxicating Liquor nor shall he or she enter any premises licensed under this Ordinance in order to procure said beverages, or to consume or purchase, or attempt to purchase, or have another purchase for him or her, such beverages on licensed premises.
- B. No person to whom the sale of Intoxicating Liquor or Non-Intoxicating Liquor is forbidden shall be permitted to remain in any place where "On-Sale" Intoxicating Liquors or Non-Intoxicating Liquors are sold or given away, except as permitted in this Section. This Section shall not prohibit a person to whom the sale of Intoxicating Liquor or Non-Intoxicating Liquor is forbidden from entering a restaurant for purposes of eating, or from entering a bowling alley for purposes of bowling, or a special club for special functions occurring within that facility, as long as the individual stays in the eating area or bowling area, or area where the special function is occurring without consuming Intoxicating Liquors or Non-Intoxicating Liquors. Minors shall not be allowed in Clubs or exclusive liquor stores after 10:00 p.m. The licensee shall be responsible for enforcement of this Section.
- C. No person shall give, procure or purchase Intoxicating Liquor or Non-Intoxicating Liquor for any person to whom the sale of Intoxicating Liquor or Non-Intoxicating Liquor is forbidden by state law.
- D. No sale of any Intoxicating Liquor, 3.2 Percent Malt Liquor, or Wine shall be made to anyone under the age of 21 years of age.

Section 117.17. Consumption in Public Places.

- A. No person shall mix or prepare Intoxicating Liquor or Non-Intoxicating Liquor for consumption in any public place or place of business not licensed to sell "On-Sale" Intoxicating Liquor or Non-Intoxicating Liquor in any such place.
- B. No Intoxicating Liquor or Non-Intoxicating Liquor shall be sold or consumed on a public highway or in an automobile in any public place in the City.
- C. No Intoxicating Liquor or Non-Intoxicating Liquor shall be consumed on or any open container carried on any public street, highway, alley, public sidewalk, public parking lot, or private parking lot which is open for use by the general public in the City limits. Additionally, No Intoxicating Liquor or Non-Intoxicating Liquor shall be possessed or consumed on the grounds or in the buildings of any public school. Further, no Intoxicating Liquor or Non-Intoxicating Liquor shall be allowed in any City Park without a City permit.
- D. No person shall carry or consume an open container of any Intoxicating Liquor or Non-Intoxicating Liquor on any parking lot provided for patrons of a licensee under this Ordinance.

- E. All Intoxicating Liquor or Non-Intoxicating Liquor sold “On-Sale” shall be possessed and consumed inside the building where purchased “On-Sale”. No person shall possess or consume any Intoxicating Liquor or Non-Intoxicating Liquor outside the building of an “On-Sale” Licensed premises if said Intoxicating Liquor or Non-Intoxicating Liquor was purchased “On-Sale”, unless otherwise authorized by the City Council to be consumed on the Licensee’s private property where the licensed premises is located. The licensee shall be responsible for the enforcement of this provision, and permitting a person possessing Intoxicating Liquor or Non-Intoxicating Liquor “On-Sale” to leave the building may be deemed to be a violation of this Ordinance by the licensee.
- F. No “Off-Sale” Intoxicating Liquor or Non-Intoxicating Liquor may be consumed while on the licensed “Off-Sale” premises.
- G. Notwithstanding the provisions of this Ordinance, the City Council may, upon application and upon such other proof as may be deemed appropriate by the Council, grant special exceptions to the preceding sections regarding sales on licensed premises or in public areas or parking lots. A special exception shall be limited to a period no longer than forty-eight (48) hours. The approval shall be further subject to proof of insurance for the type of event requested by the applicant. The City Council shall determine the fee to be charged for a special permit on a case-by-case basis.

Section 117.18. Identification.

- A. Proof of Age. Proof of age for purposes of consuming, purchasing or possessing an Alcoholic Beverage, the consumption, sale, or possession of which is regulated by age, shall only be established by a valid driver’s license issued by the State of Minnesota or of another state, or a current Minnesota identification card issued pursuant to Minnesota Statutes §171.07, a valid instructional permit issued under section 171.05 to a person of legal age to purchase alcohol which includes a photograph and the date of birth of the person issued the permit, or in the case of a foreign national, by a valid passport.
- B. Refusal. No person shall refuse to show proper identification to the licensee, or the licensee’s bona fide employees, or to a police officer when requested to do so. Refusal to do so shall be a violation of this Ordinance, if the person is then in an establishment licensed to sell Intoxicating Liquor, 3.2 Percent Malt Liquor or Wine, or is consuming, or possessing, Alcoholic Beverages outside such establishments.

Section 117.19. Underage Consumption.

- A. Consumption. It is unlawful for any:
 - 1. Licensee to permit any minor to consume alcoholic beverages on licensed premises;
 - 2. Minor to consume alcoholic beverages except in the household of the minors parent or guardian and then only with the consent of the parent or guardian.

B. Purchasing. It is unlawful for any person:

1. To sell, barter, furnish, or give alcoholic beverages to a minor unless the person is the parent or guardian of the minor and then only for consumption in the household of the parent or guardian;
2. Minor to purchase or attempt to purchase any alcoholic beverage
3. To induce a minor to purchase or procure any alcoholic beverage.

C. Possession. It is unlawful for a minor to possess any alcoholic beverage with the intent to consume it at a place other than the household of the minor's parent or guardian. Possession of an alcoholic beverage by a minor at a place other than the household of the parent or guardian is prima facie evidence of intent to consume it at a place other than the household of his or her parent or guardian.

D. Entering licensed premises.

1. It is unlawful for any minor, as defined in this chapter, to enter licensed premises for the purpose of purchasing or consuming any alcoholic beverage. It is not unlawful for any person who has attained the age of 18 years to enter licensed premises for the following purposes:
 - a. To perform work for the establishment, including the serving of alcoholic beverages, unless otherwise prohibited by statute;
 - b. To consume meals; and
 - c. To attend Weddings, Anniversaries, Retirement Parties: When social functions that relate to the celebration of a wedding, an anniversary of marriage or retirement party are held in an establishment licensed for the sale of alcohol, persons under the age of twenty one (21) years may attend, but may only be present for the purpose of celebrating the occasion and not for the purpose of purchasing, being served or consuming any alcoholic beverage.
2. It is unlawful for a licensee to permit a person under the age of 18 years to enter licensed premises unless attending a social event at which alcoholic beverages are not served, or in the company of a parent or guardian.

E. Misrepresentation of age. It is unlawful for a minor to misrepresent his or her age for the purpose of purchasing an alcoholic beverage.

Section 117.20. Prohibited Sale. Nothing under this Ordinance shall permit the manufacture, sale or transportation or keeping or having in possession for sale or transportation of, or taking or receiving, or soliciting, any order for any liquor of a greater alcoholic content than 3.2 by weight except for medicinal, pharmaceutical or scientific purposes, and any such act shall be unlawful. Any violation of this provision upon any premises licensed shall constitute grounds for revocation of the license and the license shall be automatically revoked upon a conviction of the violation of this provision.

Section 117.21 Compliance Checks. Any Licensee holding a license under this ordinance shall be subject to a minimum of Two (2) compliance checks per year to determine if alcohol is being sold or disbursed to minors. Minors employed by the city or its police department in connection with compliance checks shall not be banned from entering any license holder's premises. If it is determined that any person holding a license to sell intoxicating liquor or 3.2 percent malt liquor has banned a minor employed by or volunteering with the city or its police department in connection with the compliance checks, the license shall be suspended for a period of not less than fourteen (14) days.

MANDATORY ALCOHOL SERVER TRAINING

Section 117.22 Employee Requirements; Alcohol Server Training Required; Renewal.

A. No person shall work in any premise licensed under this chapter for the sale of alcoholic beverages, whether on or off sale, as a manager, bartender, waiter, waitress, or in any other capacity where such person may sell, serve or deliver alcoholic beverages in or from premises licensed under this chapter or whose job description entails the checking of identification for the purchase of alcoholic beverages or admittance into the licensed premise unless such person shall either:

1. Possess a certificate of training issued by the East Grand Forks Police Department; or;
2. Successfully complete server training presented by the East Grand Forks Police Department or a trainer approved by the East Grand Forks Police Department and obtain a certificate of training within 45 days after the first day of active employment.

B. All certificates of training issued under this chapter shall be valid for 3 years from the date of issuance. The certificate of training may be renewed by its holder prior to its expiration as provided herein.

Section 117.23 Employer Requirements; Hiring Of Certified Employees; Record Keeping.

A. All persons licensed under this chapter for the sale of alcoholic beverages, whether on or off sale, shall require all employees engaged in the sale, service, delivery, or management of the sale or service of alcoholic beverages, or the checking of identification for the purchase of alcoholic beverages or admittance into the licensed premise to possess or timely obtain certification required hereunder.

B. Each licensee under this chapter shall maintain on file at its licensed premises a listing of each person employed by the licensee, identifying all employees required to obtain training under this chapter, and those employees that have successfully completed the training required hereunder.

Section 117.24 Application. Application for certificate of server training shall be submitted to the East Grand Forks or Grand Forks Police Department upon forms provided by the Police Department and such application shall be verified under oath and shall contain such information as determined to be reasonably required for the purposes of determining competency and eligibility.

Section 117.25 Training Programs; Tests.

- A. All training programs and instructors must be approved by the East Grand Forks Police Department.
- B. All training programs shall minimally include the following topics:
 - 1. Laws and ordinances regarding the sale of alcohol;
 - 2. Verification of age, forms of false or misleading age identification;
 - 3. The effect of alcohol in humans and the physiology of alcohol intoxication;
 - 4. Recognition of the signs of intoxication;
 - 5. Strategies for intervention to prevent intoxicated persons from consuming further alcohol;
 - 6. Alcoholic beverage laws such as prohibition of sale to minors and sale to intoxicated persons, sale for on premise or off premise consumption, hours of operation and penalties for violation of alcoholic beverage laws;
 - 7. Driving under the influence laws.
- C. The East Grand Forks Police Department or an approved trainer shall establish and administer a test for those persons completing the training program and for those seeking to renew a certificate of training.
- D. Any person having completed the approved training must attain a minimum score of 75% on a test administered by or under the direction of the East Grand Forks Police Department in order to successfully complete the training and obtain or renew a certificate.

Section 117.26 Issuance Of Certificates.

- A. Each person successfully completing the training and test will be issued a certificate establishing the date of successful completion of training.
- B. Each certificate shall expire three years from the date of issuance.

Section 117.27 Fees. Each applicant for training provided by the East Grand Forks Police Department or approved trainer shall pay, in advance, all fees established by the Police Department for the provision of training and issuance of a certificate upon successful completion.

Section 117.28. Suspension and Revocation of License.

- A. **Suspension or Revocation.** The City Council may suspend or revoke any license for any of the following causes:
1. Fraud, misrepresentation or incorrect statement contained in the application or made in carrying on the licensed or permitted activity.
 2. Conviction of any crime or misdemeanor.
 3. Conducting such licensed or permitted activity in such manner as to constitute a breach of the peace or a menace to the health, safety or welfare of the public, or a disturbance of the peace or comfort of residents of the city, upon recommendation of the appropriate city official.
 4. Expiration or cancellation of any required bond or insurance.
 5. Actions unauthorized or beyond the scope of the license or permit granted.
 6. Violation of any regulation or provision of this code applicable to the activity for which the license or permit has been granted, or any regulation or law of the state so applicable.
 7. Failure to continuously comply with all conditions required as precedent to the approval of the license or permit.
 8. That the licensee suffered or permitted illegal acts upon licensed premises unrelated to the sale of alcoholic beverages;
 9. That the licensee had knowledge of the illegal acts upon licensed premises, but failed to report the same to police;
 10. That the licensee failed or refused to cooperate fully with police in investigating the alleged illegal acts the licensed premises; or
 11. That the activities of the licensee created a serious danger to public health, safety, or welfare.
 12. Commission of a Felony related to the licensed activity.
 13. Sale of Alcoholic beverages while the license is under suspension.
 14. Violation of any child labor law prohibiting minors from serving, dispensing, or handing alcoholic beverages.

and shall revoke the license if the licensee willfully violates any provision of Minnesota Statutes §340A.501 to 340A.510. Suspensions shall not exceed sixty (60) days. Fines shall not exceed the statutory limit of \$2,000.00 for each violation.

B. **Notice.** Notice to the licensee for proposed revocation or suspension shall be given under the terms set forth in Minnesota Statutes §340A.415; a hearing shall be held by the Council and the revocation shall be made for cause. The hearing shall be called by the Council upon written notice to the licensee served in person or by certified mail not less than 15 nor more than 30 days prior to the hearing date, stating the time, place and purpose thereof, provided a written request therefore is filed with the city clerk within ten (10) days after receipt of the notice of such denial, suspension or revocation. No portion of the license fee paid into the City shall be returned upon suspension or revocation.

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

1. Automatic Sanctions for Specified Liquor Violations: The following schedule is adopted for the imposition of automatic sanctions for the specified violations with no city council action necessary.

<i>Type of violation</i>	<i>Events Within a 24-Month Period</i>			
	<i>1st Event</i>	<i>2nd Event (Within 24 months of any 1st violation)</i>	<i>3rd Event (Within 24 months of any 1st violation)</i>	<i>4th Event (Within 24 months of any 1st violation)</i>
1. Commission of a felony related to the licensed activity	Revocation	NA	NA	NA
2. Sale of alcoholic beverages while license is under suspension.	Revocation	NA	NA	NA
3. Sale/purchase of alcoholic beverages to/by underage person	\$250	\$500 and 1-day suspension	\$1,000 and 7 day suspension	Revocation
4. Sale of alcoholic beverages to obviously intoxicated person	\$250	\$500 and 1-day suspension	\$1,000 and 7 day suspension	Revocation
5. After hours sale of alcoholic beverages	\$250	\$500 and 1-day suspension	\$1,000 and 7 day suspension	Revocation
6. After hours display or consumption of alcoholic beverages	\$250	\$500 and 1-day	\$1,000 and 7 day	Revocation

		suspension	suspension	
7. Refusal to allow city inspectors or police admission to inspect premises	\$250	\$500 and 1-day suspension	Revocation	NA
8. Illegal gambling on premises	\$250	\$500 and 1-day suspension	\$1,000 and 7 day suspension	Revocation
9. Failure to take reasonable steps to stop person from leaving premises with alcoholic beverages	\$250	\$500 and 1-day suspension	\$1,000 and 7 day suspension	Revocation
10. Violations of city code/state law pertaining to fire, building or health codes.	\$250	\$500 and 1 day suspension	\$1,000 and 3 day suspension	\$1,500.00 and 7 day suspension
11. Failure to pay an administrative fine within 30 days of its imposition	1 day suspension	3 day suspension	14 day suspension	Revocation
Note: A day shall be defined as a business day.				

Each occurrence shall be considered a separate/individual violation for which the application of the following sanctions shall be imposed. Multiple violations that occur simultaneously shall be construed as one offense, although may be as a basis for the city manager to recommend council action rather than an automatic sanction. For example, serving five (5) under aged persons at one table would be one offense for purposes of automatic sanctions. For sanctions 1 through 9, a violation of any one of the nine (9) would be treated as a second violation if there were a prior violation of any of the nine (9) offenses within a twenty four (24) month period, likewise for determining third and fourth offenses. In regard to violation of codes in sanction 10, the city administrator may determine not to impose an automatic sanction nor to refer the matter for council action, if the violation is not life safety related and is remedied in a timely manner by the licensee upon notice of the violation.

2. Any person violating the provisions of Section 117.22 shall be subject to a fine as follows:

(a) A fine not exceeding \$50 for a first violation;

(b) A fine not exceeding \$100 for a second violation within 1 year of the first violation;

(c) A fine not exceeding \$200 for each violation within 1 year of the second violation.

3. Any person violating the provisions of Section 117.23 shall be subject to a fine not exceeding \$500 for each violation.

4. Any sale by an employee of an alcoholic beverage in or from any premises licensed under this chapter by any employee authorized to make the sale in or from the place is the act of the employer as well as of the person actually making the sale; and every employer is liable to all of the penalties, except criminal penalties, provided by law for the sale, equally with the person actually making the sale. A police officer may charge any licensee's employee who makes an illegal sale of an alcoholic beverage with a crime, and/or in the charging police officer's discretion may levy a civil monetary penalty against the offending employee according to the following schedule:

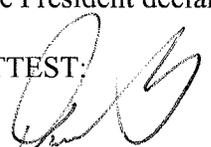
- 1. First offense\$75
- 2. Second offense within a 24-month period \$150
- 3. Third offense within a 24-month period \$300
- 4. Every subsequent offense within a 24-month period..... \$300

Section 117.29. Penalties. Any person or entity violating Section 117.17 or Section 117.18 of this Ordinance shall be guilty of a petty misdemeanor. Any of the provisions of this chapter shall, upon conviction, be penalized in accordance with the provisions of section 10.99 of this code. In addition, any person or entity violating any of the provisions set out in subsection A of this section will also be subject to the automatic sanctions as set forth in subsection A of this section. The city administrator, upon receipt of a report of such violation, shall send out written notice of the violation to the liquor license holder and the sanctions to be automatically imposed in accordance with the schedule in subsection A of this section. Alternatively, if the city administrator determines that the alleged violation(s) are so serious that a harsher sanction than the sanctions set out below may be appropriate, the city administrator may refer the matter to the city council for action pursuant to the provisions and procedures of section 10.99 of this title. In such case, the city council may impose any sanction they deem appropriate, whether or not it is more severe than the automatic sanctions set out below. The liquor license holder, within ten (10) days of receipt of the notice, may file a written request with the city clerk requesting a hearing before the city council to contest the sanction. If a hearing is requested, the sanction will be suspended until after the hearing before the city council. For a fourth, or subsequent violation, of a violation set forth in subsection A of this section within a twenty four (24) month period from the first violation, or for a violation of this chapter not set forth in subsection A of this section, the licensed liquor holder may be subject to an administrative fine not to exceed two thousand dollars (\$2,000.00) and suspension or revocation of the liquor license after action of the city council in accordance with the provisions and procedures of section 10.99 of this title.

Voting Aye:
Voting Nay:

The President declared the Ordinance passed.

ATTEST:



City Administrator/Clerk-Treasurer

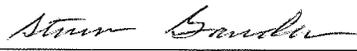
PASSED:

May 2, 2017



President of Council

I hereby approve the foregoing Ordinance this 2nd day of May, 2017.



Mayor