

# THE CITY OF



# OWATONNA

**Mark M. Walbran**  
City Attorney  
Phone: (507) 451-1425  
Fax : (507) 451-8916

140 East Main Street  
PO Box 273  
Owatonna, MN 55060  
Email: [mwalbran@walbranfurness.law.com](mailto:mwalbran@walbranfurness.law.com)

TO: Mayor, City Council, and City Administrator  
FROM: Mark M. Walbran  
DATE: April 30, 2021  
RE: On-Sale Liquor License Fees

**Purpose:**

Council approval of Resolution 60-21 regarding On-Sale Liquor License Fees due to COVID-19 concerns. Minn. Stat. § 340A.408 authorizes the City to refund a pro-rata portion of the license fees paid by the holders of on-sale liquor licenses for the sale of intoxicating or 3.2 percent malt liquor where the business ceases to be “lawful” for reasons other than revocation.

Governor Walz’s Emergency Executive Order 20-04 dated March 16, 2020 prohibited the sale of alcoholic beverages on-site after March 17, 2020 at bars, taverns, brew pubs, breweries, microbreweries, distilleries, wineries, tasting rooms, clubs, and other places of other public accommodation offering alcoholic beverages for consumption on the premises. Executive Order 21-11 dated March 15, 2021 allowed sales subject to regulations as to occupancy levels, hours of business, seating arrangements and other conditions.

Proposed Resolution 60-21 authorizes a refund of a pro rata share of the license fees paid for License Year 2019-2020, calculated from 3/18/20 to 6/30/2020 and a refund for license fees paid for License Year July 1, 2020 to June 30, 2021.

Payment of the license fees for the License Year from July 1, 2021 to June 30, 2022 will be deferred until Executive Order 21-11 or any similar Executive Order is rescinded. The payment would be then due within 30 days of the date of rescission and would be prorated for the number of days remaining in the License Year.

All other license conditions, such as date of application and evidence of liquor liability insurance, apply.

**Budget Impact:**

The City will forgo the revenue waived.

**Recommendation:**

City staff recommends City Council adopt Resolution 60-21.

RESOLUTION NO. 60-21

A RESOLUTION PROVIDING FOR REFUNDMENT OF ON-SALE LIQUOR LICENSE FEES FOR LICENSE YEARS 2020-2021

WHEREAS, pursuant to the Governor's Emergency Executive Order 20-04 effective as of March 17, 2020, On-Sale licenses of alcoholic beverages were prohibited from offering alcoholic beverage for sale on premises for consumption; and

WHEREAS, on April 21, 2020 the City Council adopted Resolution No. 58-20, entitled RESOLUTION AUTHORIZING REFUND OF PRO RATA SHARE OF ON-SALE LIQUOR LICENSE FEES providing for a pro-rata refund of the On-Sale license fees paid for License Year 2019-2020 for the period from March 18, 2020 to June 30, 2020, the end of the License Year; and

WHEREAS, on March 15, 2021 the Governor's Executive Order 21-11 was issued permitting On-Sale Licensees to provide indoor and outdoor service, subject to restrictions, including limiting the number of occupants to no more than 75% of the normal occupant capacity of the licensed premises subject to a maximum of 250 occupants, and other regulations limiting the hours of operation, number of customers per table, and social distancing, all as provided in Executive Order (EO) 21-11, which is attached hereto and incorporated herein by reference; and

WHEREAS, since March 19, 2020 On-Sale Licensees have been subject to extended closures, reduced occupancy limits, seating restrictions, and reduced hours, all which have adversely affected business and employment.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota, as follows:

1. Pursuant to Resolution 58-20, the City shall refund to each Licensee a pro-rata portion of the license fee paid for License Year 2019-2020 for the 104-day period from March 18, 2020 to June 30, 2020 when sales were prohibited.
2. Further, the City shall refund to the Licensees the license fees paid for License Year from July 1, 2020 to June 30, 2021.
3. Payment of License fees for License Year from July 1, 2021 to June 30, 2022 shall be deferred until Executive Order 21-11 or any subsequent Executive Order imposing similar conditions is rescinded, unless the Council, in its sole discretion, determined that such conditions do not materially impair the Licensee's business. When Executive Order 21-11 or any subsequent Executive Order imposing similar conditions is rescinded, then a pro-rata portion of the license fee shall be paid based on the number of days remaining in License Year 2021-2022. The licensee fee shall be paid within 30 days of notice by the City Administrator.

4. With the exception of payment of the License fee, all Licensees must file applications for their License renewals together with evidence of current Liquor Liability Insurance Coverage with the City Administrator by May 28, 2021 and comply with all other requirements as provided in Federal and State Statutes and City Ordinances.

Passed and adopted this \_\_\_\_\_ day of May, 2021, with the following vote:

Aye \_\_\_\_; No \_\_\_\_; Absent \_\_\_\_.

Approved and signed this \_\_\_\_\_ day of May, 2021.

---

Thomas A. Kuntz, Mayor

ATTEST:

---

Kris M. Busse, City Administrator/City Clerk/Treasurer