

Proposed Ordinance No. 10-16

ORDINANCE NO. 1545

AN ORDINANCE AMENDING CHAPTER 113 OF TITLE XI OF THE 2015 ORDINANCE CODE OF THE CITY OF OWATONNA, AS AMENDED, ENTITLED "ALCOHOLIC BEVERAGES" BY ADDING § 113.060 to § 113.065 ENTITLED "BREW PUBS; BREWER TAPROOM."

THE CITY COUNCIL OF THE CITY OF OWATONNA, MINNESOTA, DO ORDAIN:

Section 1. Chapter 113 of Title XI of the 2015 Ordinance Code of the City of Owatonna entitled "Alcoholic Beverages" is hereby amended by adding § 113.060 to § 113.065 to read as follows:

"BREW PUBS; BREWER TAPROOM"

§ 113.060 STATE LAW ADOPTED.

The provisions of Minn. Stat. Ch. 340A. as it may be amended from time to time. relating to the definition of terms. licensing. consumption. sales. conditions of bonds for licenses. hours of sale and all other matters pertaining to the retail. sale. distribution and consumption of intoxicating liquor. malt liquor greater than 3.2 percent alcohol by volume and 3.2 percent malt liquor are adopted and made part of this subchapter as if set out in full.

§ 113.061 DEFINITIONS.

Unless the context clearly indicates otherwise. the following words. combination of words. terms and phrases. when used in this subchapter shall have the meanings ascribed to them in this section and in Minn. Stat. Ch. 340A. as it may be amended from time to time:

(A) *Brewer* means a person who manufactures malt liquor for sale.

(B) *Brew pub* means 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 those licensed premises as permitted in Minn. Stat. § 340A.24. subd.2.

(C) Brewer taproom means a facility on the premises of or adjacent to the premises owned by a brewer, licensed under Minn. Stat. § 340A.301, subd. 6. (c), (i) or U), intended for the on-sale consumption and limited off sale of beer produced on site by the brewer as authorized by Minn. Stat. § 340A.26.

(D) Exclusive liquor store means an establishment used exclusively for the sale of alcoholic beverages and those items as enumerated in Minn. Stat. § 340A.412, subd. 14, commonly known as an "Off-Sale" liquor store.

(E) Growler means a 64-ounce container commonly known as a growler or a 750 milliliter bottle for the sale of malt liquor off-sale by a small brewer or brew pub, which has been produced and packaged by the brewer in the manner as prescribed in Minn. Stat. § 340A.285(a).

(F) Malt liquor means any beer, ale, or other beverage made from malt by fermentation and containing not less than one-half of one percent alcohol by volume. Malt liquor containing not less than one-half of one percent alcohol by volume nor more than 3.2 percent alcohol by weight shall be defined as "3.2 percent malt liquor."

§ 113.062 LICENSE REQUIRED.

No person who manufactures malt liquor for sale, except a wholesaler or manufacturer to the extent authorized under state license, shall directly or indirectly deal in, sell or keep for sale any malt liquor or other intoxicating liquor without a license to do so as provided in this subchapter.

§ 113.063 LICENSES AUTHORIZED.

(A) **Brew Pub On-Sale License.** A Brew Pub On-Sale Intoxicating Liquor or On-Sale 3.2 percent Malt Liquor License, with the approval of the Commissioner of Public Safety, may be issued to a brewer who operates a restaurant in its place of manufacture and who meets the criteria in Minn. Stat. § 340A.24, as it may be amended from time to time. Sales under this license at on-sale may not exceed 3,500 barrels per year. If a brew pub licensed under this section possesses a license for off-sale under subsection B below, the brew pub's total combined retail sales at on-sale or off-sale may not exceed 3,500 barrels per year, provided that off-sales may not total more than 500 barrels.

- (1) Hours of Sale. Brew Pub On-Sale Licensees are subject to the hours of sale as prescribed for "On-Sale" liquor licensees in Ordinance Code § 113.056(B) of this Chapter.
- (2) Brew Pub Sunday Sales. The holder of a Brew Pub On-Sale Liquor License may be issued a Sunday On-Sale Liquor License, subject to the hours of sale, as prescribed for "On-Sale" Liquor

Licenses in Ordinance Code § 113.052(0) of this Chapter.

- (3) Interest in Other License. A Brew Pub Licensee may hold or have an interest in other retail on-sale licenses as provided in Minn. Stat. § 340A.24, subd. 4. as it may be amended from time to time.

(B) **Brew Pub Off-Sale License.** The holder of a Brew Pub License under subsection A above who otherwise meets the criteria established at Minn. Stat. § 340A.24, as it may be amended from time to time, with the approval of the Commissioner of Public Safety, may be issued a brewer off-sale license for the off-sale of malt liquor produced and packaged on the licensed premises.

- (1) Hours of Sale. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the City as prescribed for "Off-Sale" liquor licensees in Ordinance Code § 113.079(B).
- (2) Brew Pub Sunday Off-Sale. The holder of Brew Pub On-Sale Sunday Liquor License may be issued a Sunday Off-Sale Liquor License. Malt liquor may only be sold in growlers at off-sale on Sundays.
- (3) Malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores.
- (4) All malt liquor sold under this license shall be packaged in the manner required by Minn. Stat. § 340A.285 as it may be amended from time to time. Sales under this license may not exceed 500 barrels per year.
- (5) If a brewer licensed under this section possesses a brew pub on-sale license under subsection (A) above, the brewer's total retail sales at on-sale or off-sale may not exceed 3,500 barrels per year, provided that off-sales may not total more than 500 barrels.

(C) **Brewer Taproom License.** An On-Sale Brewer Taproom License may be issued to the holder of a brewer's license under Minn. Stat. § 340A.301, subd. 6(c), (i) or OJ as it may be amended from time to time. An On-Sale 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.

- (1) The holder of a taproom license may also hold a license to operate a restaurant at the brewery. A brewer may have only one taproom license and may not have an ownership interest in a brewer licensed under Minn. Stat. § 340A.301, subd. 6(d) ("Brew pub"), as it may be amended from time to time.

- (2) A brewer taproom license may not be issued to a brewer that brews more than 250,000 barrels of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.
- (3) Within ten days of issuing a brewer taproom license the City Clerk will inform the Commissioner of Public Safety of the licensee's name, address, trade name and the effective date and expiration date of the license.
- (4) The City Clerk will inform the Commissioner of Public Safety of a license transfer, cancellation, suspension, or revocation during the license period.
- (5) Sunday On-Sale. A Sunday On-Sale Taproom License may be issued to a holder of an on-sale brewer taproom license which also holds a restaurant license, subject to hours of sale, as prescribed for On-Sale Liquor Licensees in Ordinance Code § 113.052 (D) of this Chapter.

(D) **Small Brewer Off-Sale License.** A Small Brewer Off-Sale Malt Liquor License may be issued, with approval of the Commissioner of Public Safety, to a holder of a Brewer's License under Minn. Stat. § 340A.301, subd. 6(c) (i) or (j) that meets the criteria established in Minn. Stat. § 340A.28 ("Small brewer off-sale") as may be amended from time to time.

- (1) A brewer may only have one license under this subdivision.
- (2) The amount of malt liquor sold at off-sale may not exceed 500 barrels annually.
- (3) Hours of Sale. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the City, as set forth in this Ordinance Code § 113.079(B).
- (4) A Sunday Off-Sale License may be issued to the holder of a Small Brewer Off-Sale License, subject to the hours of sale, as prescribed in subsection D(3) of this section.
- (5) Malt liquor in growlers only may be sold in growlers at off-sale on Sundays.
- (6) Malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores.
- (7) Packaging of malt liquor for off-sale under this license must comply with Minn. Stat. § 340A.285.

(E) Brewer Temporary On-Sale License. Brewer Temporary On-Sale Intoxicating Liquor Licenses may be issued, with the approval of the Commissioner of Public Safety to brewers who manufacture fewer than 3,500 barrels of malt liquor in a year for the on-sale of intoxicating liquor in connection with a social event within the City sponsored by the brewer.

§ 113.064 APPLICATION FOR LICENSE.

Application for licenses authorized under § 113.063 shall be made as provided in the manner set forth for an on-sale liquor license as provided for in § 113.053.

§ 113.065 LICENSE FEES.

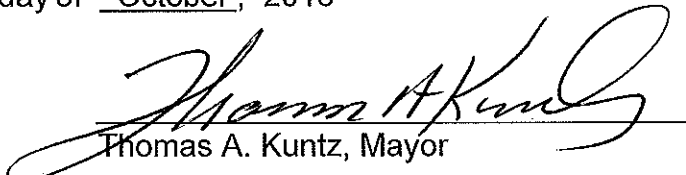
The annual license fees for a Brew Pub On-Sale and Off-Sale License under § 113.063. Brewer Taproom On-Sale License, and Small Brewer Off-Sale License and Brewer Temporary On-Sale License and Sunday Sale License shall be in the amounts duly established from time to time by City Council and set forth in "Appendix A: Fee Schedule" to Chapter 35 of this Ordinance Code.

Section 2. Effective date. This ordinance shall be in full force and effect from and after its passage and publication.

Passed and adopted this 18th day of October, 2016 with the following vote:

Aye 7; No 0; Absent 0

Approved and signed this 18th day of October, 2016


Thomas A. Kuntz, Mayor

ATTEST:


Kris M. Busse, City Administrator

UNDERLINING INDICATES NEW LANGUAGE. STRIKEOUTS INDICATE DELETIONS.