

FRIDLEY CITY CODE
CHAPTER 610. LIQUOR MANUFACTURERS
(Ref Ord 1334)

610.01. STATE LAW ADOPTED

The provisions of Minnesota Statutes Chapter 340A, commonly known as the Liquor Act, are adopted and made part of this Chapter as if set out in full. Whenever there is an inconsistency between the provisions of Minnesota Statutes Chapter 340A and the provisions of this Chapter, the more restrictive provision shall govern, where allowed by State law.

610.02. DEFINITIONS

The following definitions shall apply in the interpretation and application of this Chapter and the following words and terms, wherever they occur in this Chapter, are defined as follows:

1. Brew Pub. A “brew pub” is a brewer who holds a municipal retail on- or off-sale license in conjunction with a restaurant and who manufacturers fewer than 3,500 barrels of malt liquor in a year, at any one or more licensed premises as permitted in Minnesota Statutes 340A.24.
2. Brewer. A “brewer” is a person who manufacturers malt liquor for sale and holds a Brewers License issued by the State of Minnesota.
3. Brewer Taproom. “Brewer taproom” is a facility on or adjacent to the licensed brewery which allows for the on- or off-sale of malt liquor produced by the brewer.
4. Commissioner. “Commissioner” is the Commissioner of the Minnesota Department of Public Safety.
5. 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 non-industrial use.
6. 3.2% Malt Liquor. “3.2% malt liquor” is malt liquor containing not less than one-half of one percent alcohol by volume and no more than 3.2 percent alcohol by weight.
7. 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 alcohol by volume.
8. Manufacturer. “Manufacturer” is a person who, by a process of manufacture, fermenting, brewing distilling, refining, rectifying, blending or by the combination of different materials prepares or produces intoxicating liquor for sale.
9. Microdistillery. “Microdistillery” is a distillery operated within the state producing premium, distilled spirits in total quantity not to exceed 40,000 proof gallons in a calendar year.

10. Microdistillery Cocktail Room. “Microdistillery cocktail room” is a facility on or adjacent to the licensed distillery which allows for the on- or off-sale of distilled liquor produced by the distiller.
11. Off-sale. “Off-sale” is the sale of alcoholic beverages manufactured on site in original packages for consumption off the licensed premises only.
12. On-sale. “On-sale” is the retail sale of alcoholic beverages manufactured on site for consumption on the licensed premises.
13. Original Package. “Original Package” is a container or receptacle holding alcoholic beverages which is sealed, capped or corked by a manufacturer on the licensed premises.

610.03. LICENSE REQUIRED

No manufacturer may directly or indirectly manufacture malt liquor or intoxicating liquor without first obtaining zoning approval from the City. After the manufacturer has obtained approval from the City, they must then obtain the appropriate state and federal licenses or permits to operate as a manufacturer as defined in Minnesota Statutes Section 340A.301.

No manufacturer, to the extent authorized under Minnesota state law, shall directly or indirectly operate a brewer taproom or microdistillery cocktail room without having obtained a City license to do so as provided for in this Chapter.

No single entity may hold both a microdistillery cocktail room and brewer taproom license.

A microdistillery cocktail room and brewer taproom may not be co-located within a single entity.

The following licenses shall be issued by the City to manufacturers:

1. Brewery Retail Liquor License.

A brewer licensed under Minnesota Statute 340A.301 may be issued an on-sale brewer taproom license, a small brewer off-sale license, or a brew pub off-sale license for the sale of malt liquor produced and packaged on the licensed premises which may also be sold to other bars, restaurants and off-sale liquor stores if permitted by State law and issued a license by the State.

- A. Brewer Taproom on-sale license.

- (1) A brewer taproom On-sale License authorizing the on-sale of malt liquor produced by the brewer for consumption on the premises or adjacent to one brewery location owned by the brewer may be approved by the City Council under Minnesota Statute Section 340A.26.

- (2) A brewer may only have one brewer taproom license for malt liquor produced by the brewer and may not have an ownership interest in a brew pub.
- (3) A brewer tap room license may not be issued 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.
- (4) Once the brewer taproom license is approved by the City Council, the city clerk shall, within ten days of the issuance of the license, inform the Commissioner of the licensee's name, address, trade name and effective date and expiration date of the license. The City shall also inform the Commissioner of a license cancellation, suspension or revocation during the license period.
- (5) The brewer taproom on-sale of malt liquor produced by the brewer shall be limited to the legal hours for on-sale malt liquor in the City. No sale of malt liquor on-sale shall be made:
 - (a) between the hours of 1:00 am and 8:00 a.m. on the days of Monday through Saturday, nor between 1:00 am and 8:00 a.m. on Sunday.
 - (b) between the hours of 8:00 p.m. December 24th and 8:00 a.m. on December 26th without the Holiday Endorsement as defined in Section 602.09 and 603.11 of the City Code.
 - (c) Between the hours of 1 am and 2 am on the days of Monday through Sunday without the Late Night Endorsement as defined in Section 602.09 and 603.11 of the City Code.
- (6) The sale of malt liquor produced by the brewer shall be limited to the brewer taproom and may not be taken outdoors unless a Patio Endorsement, defined in Section 610.14 of this Code, has been obtained.

B. Small Brewer Off-Sale License

- (1) A Small Brewer Off-Sale License authorizing the sale of malt liquor produced and packaged by the brewer for consumption off the premises may be approved by the City Council.
- (2) A brewer may only have one small brewer license for malt liquor produced and packaged by the brewer.
- (3) The amount of malt liquor produced and packed by the brewer and sold off-sale may not exceed 500 barrels annually.

- (4) The malt liquor produced and packaged by the brewer and sold off-sale must be removed from the premises before the applicable off-sale closing time in the City.
- (5) The packaging of malt liquor produced by the brewer for off-sale must comply with Minnesota Statute Section 340A.285.
- (6) A license may not be issued to a small 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.
- (7) Once the license is approved by the City Council, the city clerk shall, within ten days of the issuance of the license, inform the Commissioner of the licensee's name, address, trade name and effective date and expiration date of the license. The City shall also inform the Commissioner of a license cancellation, suspension or revocation during the license period.
- (8) The off-sale of malt liquor produced and packaged by the brewer shall be limited to the legal hours for off-sale malt liquor in the City. No sale of malt liquor off-sale, except as allowed in Minnesota Statute Section 240A.28, shall be made:
 - (a) between the hours of 10:00 pm and 8:00 a.m. on the days of Monday through Sunday.
 - (b) between the hours of 8:00 p.m. December 24th and 8:00 a.m. on December 26th without a Holiday Endorsement as defined in Section 602.09 and 603.11 of the City Code.

C. Brew Pub Off-Sale License

- (1) A brew pub that holds an on-sale license issued under Fridley City Code Section 603.02 may hold a license for the off-sale of malt liquor produced and packaged on the brew pubs licensed premises if approved by the City Council.
- (2) The malt liquor produced and packaged by the brewer and sold off-sale by the brew pub must not be consumed onsite and must be removed from the premises before the applicable off-sale closing time in the City.
- (3) The packaging of malt liquor produced by the brewer on the licensed premises for off-sale by the brew pub must comply with Minnesota Statute Section 340A.285.
- (4) A brew pubs total retail sales at on- or off-sale under this section may not exceed 3,500 barrels annually, provided off-sales may not total more than 500 barrels annually.

- (5) A brew pub licensed under this section to sell malt liquor off-sale may not be licensed as an importer under Minnesota Statutes Section 340A.302.
- (6) Once the brew pub off-sale license is approved by the City Council, the city clerk shall, within ten days of the issuance of the license, inform the Commissioner of the licensee's name, address, trade name and effective date and expiration date of the license. The City shall also inform the Commissioner of a license cancellation, suspension or revocation during the license period.
- (7) The off-sale of malt liquor produced and packaged on the brew pub's licensed premise shall be limited to the legal hours for off-sale malt liquor at exclusive liquor stores within the City. No sale of malt liquor off-sale, except as allowed in Minnesota Statute Section 340A.24, shall be made:
 - (a) between the hours of 10:00 pm and 8:00 a.m. on the days of Monday through Sunday.
 - (b) between the hours of 8:00 p.m. December 24th and 8:00 a.m. on December 26th without a Holiday Endorsement as defined in Section 602.09 and 603.11 of the City Code.

2. Microdistillery Retail License

A microdistillery licensed under Minnesota Statute Section 340A.301 may be issued an on-sale cocktail room license and an off-sale license for the sale of intoxicating liquor produced and packaged on the licensed premises. The intoxicating liquor produced and packaged on the licensed premises may also be sold to other bars, restaurants and off-sale liquor stores if permitted by State law and issued a license by the Commissioner.

A. On-Sale Microdistillery Cocktail Room License

- (1) A microdistillery cocktail room license authorizing the on-sale of intoxicating liquor produced by the microdistillery for consumption on the premises or adjacent to one distillery location owned by the distiller may be approved by the City Council under Minnesota Statute Section 340A.26.
- (2) A microdistillery may only have one microdistillery cocktail room license and may not have an ownership interest in a distillery licensed under Minnesota Statute Section 340A.301.
- (3) No license may be issued if the microdistiller seeking the microdistillery cocktail room license or exercising control over the microdistillery seeking the license is a microdistiller that produces more than 40,000 proof gallons of premium, distilled spirits annually.

- (4) Once the microdistillery cocktail room license is approved by the City Council, the city clerk shall, within ten days of the issuance of the license, inform the commissioner of the licensee's name, address, trade name and effective date and expiration date of the license. The city clerk shall also inform the state of a license cancellation, suspension or revocation during the license period.
- (5) The on-sale of intoxicating liquor produced and packaged by the microdistillery for consumption on the licensed premises shall be limited to the legal hours for on-sale intoxicating liquor in the City. No on-sale of intoxicating liquor shall be made:
 - (a) between the hours of 1:00 a.m. and 8:00 a.m. on the days of Monday through Saturday;
 - (b) after 1:00 a.m. on Sundays unless the licensee is considered a restaurant with a seating capacity for at least 30 persons and which holds a Sunday on-sale license authorizing them 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 Sundays and 1:00 a.m. on Mondays;
 - (c) between the hours of 8:00 p.m. December 24th and 8:00 a.m. on December 26th without a Holiday Endorsement as defined in Section 603.11 of the City Code.
 - (d) Notwithstanding the foregoing, the sale of intoxicating liquor for consumption may occur on a licensed premise between the hours of 1:00 a.m. and 2:00 a.m. if the licensee has been granted by the city a Late Night License Endorsement for that license as defined in Section 603.11 of the City Code.
- (6) The on-sale of intoxicating liquor produced by the microdistillery shall be limited to the microdistillery cocktail room and may not be taken outdoors unless a Patio Endorsement, defined in Section 610.14 of this Code, has been obtained.

B. Microdistillery Off-Sale License

- (1) A microdistillery off-sale license authorizing the sale of intoxicating liquor produced and packaged by the distiller for consumption off the premises may be approved by the City Council.
- (2) A distiller may only have one microdistillery license for intoxicating liquor produced and packaged by the distiller.
- (3) The intoxicating liquor produced and packaged by the distiller and sold off-sale must be removed from the premises before the applicable off-sale closing time in the City.
- (4) The license may allow the sale of one 375 milliliter bottle per customer per day of product manufactured on-site. No brand may be sold at the microdistillery unless it is also available for distribution by wholesalers.

- (5) Once the microdistillery off-sale license is approved by the City Council, the city clerk shall, within ten days of the issuance of the license, inform the Commissioner of the licensee's name, address, trade name and effective date and expiration date of the license. The City shall also inform the Commissioner of a license cancellation, suspension or revocation during the license period.
- (6) The microdistillery may not sell intoxicating liquor off-sale:
 - (a) on Sundays;
 - (b) before 8:00 am or after 10 pm on Monday through Saturday
 - (c) on Thanksgiving Day
 - (d) after 8 pm on Christmas Eve, December 24; or
 - (e) on Christmas Day, December 25;

610.04. APPLICATION

Every application for a license from a manufacturer to sell malt liquor or intoxicating liquor off- or on-sale shall be filed with the City Clerk. In addition to the information which may be required by the Commissioner, the application shall contain the following information:

1. Whether the applicant is a person, corporation, partnership, or other form of organization.
2. The type of license the applicant seeks.
3. Individual Information:
 - A. True name, place and date of birth, and home address.
 - B. Whether the applicant has ever used, or been known by, a name other than the applicant's true name and, if so, what was such name(s) or aliases, and the information concerning dates and places where used.
 - C. The name of the business if it is to be conducted under a designation other than the full individual name of the applicant. If it is a different designation, a copy of the certification, as required by Minnesota Statutes Chapter 333, certified by the Secretary of State, shall be attached to the application.
 - D. Whether the applicant is married or single. If married, true name, place and date of birth, and home address of applicant's present spouse.
 - E. Whether applicant and present spouse are registered voters and, if so, where.
 - F. Home addresses at which applicant and present spouse have lived during the preceding ten (10) years.

- G. Kind, name and location of every business, or occupation, applicant or present spouse have been engaged in during the preceding ten (10) years.
 - H. Names and addresses of applicants and spouse's employers and partners, if any, for the preceding ten (10) years.
 - I. Whether applicant or spouse, or a parent, brother, sister, or child of either of them has ever been convicted of any felony, crime or violation of any ordinance, other than traffic. If so, the applicant shall furnish information as to the time, place and offense for which convictions were had and to whom.
 - J. Whether applicant or spouse, or a parent, brother, sister, or child of either of them is or has ever been engaged as an employee or in owning and operating a hotel, restaurant, cafe, tavern or other business of a similar nature. If so, applicant shall furnish information as to the date, place and length of time.
 - K. Whether applicant has ever been in military service. Applicant shall specify the date and type of discharge.
4. Partnership Information:
- A. The names and home addresses of all partners.
 - B. All information concerning each partner as is required of a single applicant in Section 610.04.3 above.
 - C. A managing partner, or partners, shall be designated.
 - D. The interest of each partner in the business shall be disclosed.
 - E. A true copy of the partnership agreement shall be submitted with the application.
 - F. If the partnership is required to file a certificate as to a trade name under the provisions of Chapter 333, Minnesota Statutes, a copy of such certificate certified by the Secretary of State shall be attached to the application.
5. Corporation or Other Organization Information:
- A. Name of corporation and trade name.
 - B. If incorporated, date and state of incorporation.

- C. A true copy of:
- (1) the Corporation's Certificate of Incorporation;
 - (2) Articles of Incorporation or Association Agreement;
 - (3) By-laws; and
 - (4) If a foreign corporation, a Certificate of Authority as described in Minnesota Statutes Chapter 303.
- D. The name of the manager or proprietor or other agent in charge of the premises to be licensed along with all of the information about said individual as is required of a single applicant in Section 610.04.3 above.
- E. Notwithstanding the definition of interest as given in Section 610.04, the application shall contain a list of all persons who, singly or together with their spouse, or a parent, brother, sister or child or either of them, own or control an interest in said corporation or association in excess of 5% or who are officers of said corporation or association, together with their addresses and all information as is required of a single applicant in Section 610.04.3 above.
6. The street address where the sale of malt liquor or intoxicating liquors is to be conducted and a floor plan of the room where liquor is to be sold or consumed showing the seating area and the number of persons intended to be seated in the room.
7. A copy of the state and federal permits showing in what name the permit was issued and the nature of the permit.
8. The amount of the investment that the applicant has in the business, building, premises, fixtures, furniture, stock in trade, etc., and proof of the source of such money.
9. The names and addresses of all persons, other than the applicant, who have any financial interest in:
- (a) the business; the buildings; premises; fixtures; and furniture;
 - (b) stock in trade and the nature of such interest;
 - (c) the amount of financial interest thereof; and
 - (d) the terms for payment or other reimbursement.
- This shall include, but not be limited to, any lessees, lessors, mortgagees, lenders, lienholders, trustees, trustors, and persons who have co-signed notes or otherwise loaned, pledged, or extended security for any indebtedness of the applicant.
10. The names, residences and business addresses of three (3) persons of good moral character, not related to the applicant or financially interested in the premises or business, who may be referred to as to the applicant's character or, in the case where information is required of a manager, the manager's character.

11. Documentation showing all real estate, special assessments, utility payments, and personal property taxes for the premises to be licensed which are due and payable have been paid.

610.05. EXECUTION OF APPLICATION

1. If the application is from an individual, it shall be signed and sworn to by such individual.
2. If the applicant is from a corporation, it shall be signed and sworn to by an officer of that corporation.
3. If the application is from a partnership, the application shall be signed and sworn to by one of the partners thereof. The application, license and insurance policy shall be made and issued in the name of all partners.
4. If the application is from an unincorporated association, the application shall be signed and sworn to by the manager or managing officer thereof.

610.06. MANAGERIAL LICENSE

1. No person shall work as a manager of a premises licensed under this Chapter, and no licensee shall permit any such person to be so employed, unless such person, within seven (7) days after first being so employed, shall apply for a license to engage in such business. No persons may be so employed for any length of time if their license is denied or revoked.
2. An application for such license shall be filed with the City Clerk upon forms provided by the City and such application shall be verified under oath and shall contain the following information:
 - A. The names and addresses of two (2) residents who have known the applicant for a period of two (2) years and who will vouch for the sobriety, honesty, and general good character of the applicant.
 - B. A concise history of the applicant's previous employment.
 - C. The record, if any, of arrests and of convictions for crimes and misdemeanors other than traffic offenses.
3. The annual license fee and expiration date shall be provided in Chapter 11 of this Code. Application for renewal of an existing license shall be made at least 15 days prior to the date of the expiration of the license on such form as the City Council may approve.

4. The application shall be referred to the Police Department which shall investigate the facts set forth in the application and make a written report thereon at the earliest practicable time. If the Police Department recommends that such person be licensed, the City Clerk shall issue the license forthwith. If the Police Department makes a recommendation that the license not be issued, the applicant, upon request, shall be entitled to a hearing before the City Council and may offer evidence to prove the license should be issued.

5. No persons shall be issued a license if it appears that they had committed an act which is a willful violation of Minnesota Statutes Chapter 340A.

6. Any license issued hereunder may be revoked for any violation of this Chapter or of Minnesota Statutes Chapter 340A or for conviction of any crime or misdemeanor involving moral turpitude.

610.07. GRANTING OF LICENSES

1. Initial Licenses

- A. Upon receipt of a completed application and fee, the city clerk shall forward the application to the public safety director, or designee, for verification and investigation of the facts set forth in the application. The public safety director or designee shall complete such investigation and make a written recommendation and report to the city clerk. The report shall include a list of all violations of any federal, state or municipal law.
- B. After receipt of the written report, the city clerk shall forward the application to the fire department and building inspections department for their review and comment.
- C. Within twenty (20) days after the receipt of the public safety director's written report, the city clerk shall cause to be published a Notice of Public Hearing regarding the license application in the official newspaper at least ten (10) days in advance of the public hearing. The Notice shall include the date, time and place of the public hearing, the name of the applicant, the address of the premises to be licensed, and the nature of the business. The city clerk shall prepare a written report to the city council for the public hearing which shall include the director's report and any comments the fire and building inspections departments may have.
- D. At the time of the public hearing, opportunity shall be given to any person to be heard for or against the granting of the license. If additional information is required, the city council may continue the public hearing as it may deem advisable, within a reasonable amount of time. The city council may thereafter grant or deny the application in its discretion.

- E. The city clerk shall, within ten (10) days after the issuance of any license under this Chapter, submit the required documentation to the Commissioner. The city clerk shall also submit to the Commissioner any change of address, cancellation or revocation of any license by the City Council during the license period.
- F. Each license is issued to the applicant at the premises described in the application. No license may be transferred to another person, partnership, or corporation, or to any other location.
- G. Where a license is granted to a premise where the building is under construction or otherwise not ready for occupancy, the city clerk shall not issue the license until a Certificate of Occupancy has been issued. The building inspection department shall notify the city clerk that the Certificate of Occupancy has been issued and the building is ready for occupancy.

2. Renewal Licenses

- A. Applications for the renewal of an existing malt liquor or intoxicating liquor license shall be made at least 60 days prior to the date of the expiration of the license and shall be made in an abbreviated form. If, in the judgment of the city council, good and sufficient cause is shown by an applicant for their failure to file for a renewal within the time provided, the city council may, if the other provisions of this Chapter are complied with, grant the application. A review shall be made of all facts set out in the application. The city council shall grant or refuse the application at its discretion.
- B. Each license holder shall be given written notice, by mail, at least ten (10) days but not more than thirty (30) days before the city council acts upon their license renewal. This notice shall be in a form as designated by the city clerk and shall specify the date and time when the renewal application will be considered by the city council. The license holder shall be permitted an opportunity to address the city council on its license renewal application.

610.08. LICENSE FEES.

- 1. Fees. The annual license fees and initial investigation fee shall be as provided in Chapter 11 of this Code.
- 2. Payment Required. All fees shall be paid in full at the time of the application. Upon denial or rejection of any application for a license, the license fee shall be refunded in full for the amount paid, with the exception of the investigative fee.

3. Expiration; Pro Rata Fees. Every license shall expire on the last day of April of each year. Each license shall be issued for a period of one (1) year, except that if a portion of the license year has elapsed when the license is granted, the license shall be issued for the remainder of the year at a pro rata fee. In computing such fee, any unexpired fraction of a month shall be counted as one (1) month.
4. When the license is for premises where the building is not ready for occupancy, the time fixed for computation of the license fee for the initial license period shall be ninety (90) days after approval of the license by the City Council or upon the date the building is ready for occupancy, whichever is sooner.
5. No transfer of a license shall be permitted from place to place or person to person.
6. At any time that an additional investigation is required because of a change in ownership or control of a corporation or because of an enlargement, alteration, or extension of premises previously licensed, the licensee shall pay an additional investigating fee as provided for in Chapter 11 of the City Code.
7. Where a new application is filed as a result of incorporation by an existing licensee and the ownership control and interest in the license are unchanged, no additional license fee will be required.

610.09. LIABILITY INSURANCE

1. Every person licensed to sell malt liquor or intoxicating liquor at off- or on-sale shall demonstrate proof of financial responsibility with regard to liability imposed by Minnesota Statutes Chapter 340A, to the city clerk as a condition of the issuance or renewal of the license. Proof of financial responsibility may be given by filing:

- A. A certificate of insurance that there is in effect an insurance policy or pool providing the following minimum coverage:
 - (1) \$50,000 because of bodily injury to any one person in any one occurrence, and, subject to the limit for one person, in the amount of \$100,000 because of bodily injury to two or more persons in any one occurrence, and in the amount of \$10,000 because of injury to or destruction of property of others in any one occurrence.
 - (2) \$50,000 for loss of means of support of any one person in any one occurrence, and, subject to the limit for one person, \$100,000 for loss of means of support of two or more persons in one occurrence; or

- B. A bond of a surety company with minimum coverages as provided in clause (A) above, or
 - C. A certificate of the State Treasurer that the licensee has deposited with the State Treasurer \$100,000 in cash or securities which may legally be purchased by savings banks or for trust funds having a market value of \$100,000.
2. A liability insurance policy shall provide that it may not be canceled for any cause, either by the insured or the insurance company without first giving ten (10) days' notice to the City of Fridley in writing of the intention to cancel it, addressed to the City Clerk of the City of Fridley.
 3. A liability insurance policy shall provide that the insurance company agrees to contact the City of Fridley in writing and addressed to the City Clerk of the City of Fridley, within ten (10) days of any claim made against the policy.
 4. A liability insurance policy that contains annual aggregate limits of liability shall require the insured to buy additional coverage after any claim is made that reduces the coverage under the policy below the requirements.
 5. The operation of a retail malt liquor or intoxicating liquor business at on- or off-sale, without having on file at all times with the City of Fridley the liability insurance policy or other evidence of financial responsibility shall be grounds for immediate revocation of the license. Notice of cancellation of a current liquor liability policy serves as notice to the licensee of the impending revocation and unless evidence of compliance with the financial responsibility is presented to the city clerk before the termination is effective, the license will be revoked instantly upon the lapse.
 6. The city clerk shall submit the provided proof of financial responsibility to the Commissioner.

610.10. BONDS

1. Each application for an off- or on-sale malt liquor or intoxicating liquor license shall be accompanied by a surety bond in the amount of \$3,000.00 running in favor of the City of Fridley, or in lieu thereof, cash or United State Government bonds of equivalent market value, as provided in Minnesota Statutes, Section 340.12. The bond shall be in effect for the period covered by the license.
2. The bond's conditions are as follows:
 - A. The licensee will obey the laws relating to the licensed business.
 - B. The licensee will pay to the City, when due, all taxes, licenses, penalties, and other charges.
 - C. In the event of any violation of any liquor laws, the bond shall be forfeited to the City, as obligee.

3. Bonds for “off-“or “on-sale” licenses shall be filed with the city clerk.
4. All bonds shall be for the benefit of the City, as obligees, and all persons suffering damages by reason of the violation of the conditions of 610.06.2. Upon forfeiture of the bond for violation of the law, the District Court of Anoka County may forfeit the bond's penal sum or any part thereof to the City.
5. Operation of a licensed business without having on file at all times with the City of Fridley effective security as required above shall be grounds for immediate revocation of the license.

610.11. PERSONS INELIGIBLE

No license shall be granted or held by any person:

1. Under twenty-one (21) years of age.
2. Who is not of good moral character and repute. If the applicant has been an owner, manager or employee of a hotel, restaurant, cafe, tavern or other business of a similar nature, the city council may consider the applicant's past performance record in determining whether a license shall be granted or renewed.
3. Has had a licensed issued under this section revoked within five years of the date of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested; and
4. Has been convicted within five years of the date of license application of a felony, or of a willful violation of a federal or state law, or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of alcoholic beverages. The Commissioner may require that fingerprints be taken and may forward the fingerprints to the Federal Bureau of Investigation for purposes of a criminal history check as defined in Minnesota Statutes 340A.301.
5. To the spouse of a person ineligible for a license pursuant to the provisions of this section of the Code or who, in the judgment of the city council, is not the real party in interest or beneficial owner of the business operated, or to be operated, under the license.
6. Who is directly or indirectly interested in any other establishment in the City of Fridley to which an on-sale license has been issued under Chapter 602 or 603 of this Code, with the exception for a brew pub off-sale malt liquor license.

The term "interest" as used in this Section includes any pecuniary interest in the ownership, operation, management or profits of a retail liquor establishment, but does not include bona fide loans; bona fide fixed sum rental agreements; bona fide open accounts or other obligations held with or without security arising out of the ordinary and regular course or business of selling or leasing merchandise, fixtures or supplies to such establishment; or an interest of ten per cent (10%) or less in any corporation holding a license. A person who receives monies from time to time directly or indirectly from a licensee, in the absence of a bona fide consideration therefore and excluding bona fide gifts or donations, shall be deemed to have a pecuniary interest in such retail license. In determining "bona fide" the reasonable value of the goods or things received as consideration for any payment by the licensee and all other facts reasonably tending to prove or disprove the existence of any purposeful scheme or arrangement to evade the prohibitions of this Section shall be considered.

610.12. PLACES INELIGIBLE

1. No license shall be granted or renewed for operation on any premises on which financial claims of the State, County or City are due, delinquent or unpaid.
2. No license shall be issued for the premises owned by a person to whom a license may not be granted under this Chapter.
3. No license shall be issued for the premises if it does not meet the required zoning conditions.

610.13. CONDITIONS OF LICENSE

Every license shall be granted subject to the condition of all sections of this Chapter and of any other applicable provision of this Code, State or federal law, including the following:

1. The license shall be posted in a conspicuous place in the licensed establishment at all times.
2. Licensees shall be responsible for the conduct of their place of business and the conditions of sobriety and order in the place of business and on the premises.
3. No license shall be effective beyond the space named in the license for which it was granted
4. No malt liquor or intoxicating liquor shall be sold or furnished or delivered to any intoxicated person, to any habitual drunkard, to a person under twenty-one (21) years of age, or to any person to whom sale is prohibited by State law.

5. Licensees shall not knowingly permit the licensed premises or any room in those premises or any adjoining building directly or indirectly under their control to be used as a resort for prostitutes.
6. Any police officer, or any properly designated officer or employee of the City shall have the right to enter, inspect and search the premises of the licensee during the business hours without a warrant.
7. No licensee shall sell, offer for sale, or keep for sale, malt liquor or intoxicating liquor in any original package which has been refilled or partially refilled, except as allowed by Minnesota Statutes Section 340A.285. No licensee shall directly or through any other person delete or in any manner tamper with the contents of any original package so as to change its composition or alcoholic content while in the original package. Possession on the premises by the licensee of liquor in the original package differing in composition or alcoholic content in the liquor when produced and packaged by the manufacturer, shall be prima facie evidence that the contents of the original package have been diluted, changed or tampered with.
8. The business records of the licensee, including federal and state tax returns, shall be available for inspection by the city manager, or other duly authorized representative of the City or the city council, at all reasonable times.
9. Changes in the corporate or association officers, corporate charter, articles of incorporation, by-laws, or partnership agreement, as the case may be, shall be submitted to the city clerk within thirty (30) days after such changes are made. Notwithstanding the definition of interest as given in Section 610.__, in the case of a corporation, the licensee shall notify the city clerk when a person not listed in the application acquires an interest which, together with that of spouse, parent, brother, sister, or child, exceeds 5%, and shall give all information about said person as is required of a person pursuant to the provisions of Section 610.11.6.
10. At the time licensees submit their applications for renewal of a license, they shall list all direct or indirect contributions made to or on behalf of a candidate for Fridley City Councilperson or Mayor, including, but not limited to, candidates, committees, volunteer committees, etc., for all City elections within the last 365 days.
11. No licensee shall permit any person under the age of 18 to enter the licensed establishment except for the purpose of performing work duties other than the serving or selling malt liquor or intoxicating liquor, unless accompanied by a parent or guardian.

12. No licensee shall permit in any licensed establishment, or any adjoining property owned or leased by the licensee, any boxing, wrestling, or any other form of entertainment whose primary purpose is physical contact by striking or touching an opponent with hands, head, feet, or body. Team sports in which physical contact is incidental to the primary purpose of the game such as basketball, volleyball, soccer, football, baseball, hockey, and softball are not included among activities prohibited by this section.

13. No licensee shall use or permit to be used any playing cards on the licensed premise except that playing cards may be used during a tournament of a social skill card game as defined by Minnesota Statute 609.761, subdivision 3, and conducted pursuant to regulations contained in Section 603.10.23 of the city code.

610.14. PATIO ENDORSEMENT

1. Statement of Policy

The sale of malt liquor or intoxicating liquor will be limited to the sale and consumption inside of a structure on the licensed premises, unless the licensee applies for and receives approval from the city council for a Patio Endorsement to allow the sale and consumption outside of a structure on the licensed premises.

2. Regulations

- A. An outdoor patio shall not be enclosed in such a manner that the air becomes indoor air as defined by state law.
- B. The patio shall be attached to the licensed premises and share at least one common wall or side with the licensed premise building/structure. The contiguous area will not be part of a public street, sidewalk or other public grounds.
- C. If part of the parking lot is used to install an outdoor patio, the patio must share one common wall with the licensed premise. In addition, the licensed premise must continue to meet the parking requirements set by city code and the outdoor patio shall not affect the circulation of traffic.
- D. Access to the patio shall be directly from the licensed premise with no direct access other than an emergency exit (exit only) equipped with an alarm, from any area other than by passing through the normal interior public areas of the licensed premise.

- E. The patio shall be clearly delineated by a permanent installed fence, or other structure or barrier, at least 42” high to prevent the ingress or egress of persons to and from the patio. The fence shall be designed and constructed in a manner that discourages or deters the passing of any regulated, controlled or prohibited items outside from one side of the fence to the other side of the fence.
- F. Panic and fire exit hardware shall be installed on the fence or barrier and comply with the Minnesota Building Code.
- G. Patios in direct contact with, or immediately adjacent to a parking area for motor vehicles, shall have sufficient barriers installed, as defined by the Minnesota State Building Code, to reduce the likelihood of incursion of vehicles into the patio space.
- H. The licensee shall pay the Metropolitan Council S.A.C. unit(s) for outside seating.
- I. The patio shall be placed in an area to meet the state and federal accessibility requirements.
- J. There shall be no live entertainment. Music, sound, or noise in the patio enclosure shall comply with the provisions of Chapter 124 of the Fridley City Code at all times.
- K. The sale and consumption of malt liquor or intoxicating liquor within the patio is limited to the normal business hours. No licensee, nor the employee, nor agent of any license will serve, dispense, possess, display, or in any manner furnish malt liquor or intoxicating liquor at any other time.
- L. All other conduct pertaining to the licensed premises required by this Code or Minnesota state statutes shall apply.

3. Application for Patio Endorsement

Any establishment to which an on-sale brewer taproom or microdistillery cocktail room has been issued may submit an application for a patio endorsement. The application shall contain a description of the outdoor area that is proposed to be licensed and will be accompanied by a drawing of the proposed area to be licensed. The application will also include a detailed description of the barriers that will be used, the method of seating, ingress and egress arrangements, security provisions, sanitary and fire arrangements and lighting. The drawings must include the dimensions of the area, barriers, tables, aisles and equipment, and must be drawn proportionately to scale.

This application must be submitted to the city clerk who will forward for review and comment to the police department, fire department, and community development department before submission to the city council. The City staff will review the suitability of the proposed licensed area in light of the applicable fire, building and life safety codes, zoning codes, past performance of the licensee in maintaining order and obeying applicable laws in the licensed patio and in the principal licensed premises, the adequacy of the proposal to provide for the safety of persons on the proposed premises, impact on the surrounding land, adequacy of lighting, appropriateness of noise level, suitability of ingress and egress arrangements including control of persons entering and leaving for purposes of preventing consumption by minors and safety of seating arrangements.

If the patio endorsement is approved by the city council, the licensee shall obtain the appropriate building permits.

4. Violations

- A. It shall be a violation of this code, by the license holder and/or any employees or agents of the license holder, to permit, allow or fail to prevent persons from directly accessing the patio by means other than through the building on the premises.
- B. It shall be a violation of this code by the license holder and/or any employees or agents of the license holder, or to allow any other person, to provide, furnish or give any liquor, tobacco products, weapons, or any other regulated controlled or prohibited items (for example, drugs, dice, cards, etc.) from one side of the fence or barrier to the other.
- C. Any violation of the provisions of this Code or of the state law regulating the sale of liquor which occur in the patio area will be considered as a violation of the principal on-sale license for the premises.

610.15. ADMINISTRATIVE OFFENSES

1. Administrative Civil Penalties: Administrative offense procedures established pursuant to this chapter are intended to provide the public and the City with an informal, cost effective, and practical alternative to traditional criminal charges for violations of this ordinance. The procedures are intended to be voluntary on the part of those who have been charged with administrative offenses.
2. Every licensee shall be responsible for the conduct of its employees while on the licensed premises and any sale or other disposition of any malt liquor or intoxicating liquor by an employee to any person under twenty-one (21) years of age shall be considered an act of the licensee for purposes of imposing an administrative penalty, license suspension, or revocation.

- A. Individual. At any time prior to the payment of the administrative penalty as is provided for hereafter, the individual may withdraw from participation in the procedures in which event the City may bring criminal charges in accordance with law. Likewise, the City, at its discretion, may bring criminal charges in the first instance. In the event a party participates in the administrative offense procedures but does not pay the monetary penalty which may be imposed, the City will seek to collect the costs of the administrative offense procedures as part of a subsequent criminal sentence in the event the party is charged and is adjudicated guilty of the criminal violation.
 - B. Licensee. At any time prior to the payment of the administrative penalty as is provided for hereafter, the licensee may withdraw from participation in the procedures in which event the City may permanently revoke the license issued to the licensee under this Chapter in accordance with law. Likewise, the City, in its discretion, may revoke the license issued to the licensee under this Chapter in the first instance. In the event a licensee participates in the administrative offense procedures but does not pay the monetary penalty which may be imposed, the City will suspend the license issued to the licensee under this Chapter in accordance with section 603.27.9 of this ordinance.
3. Notice. Any officer of the Fridley police department shall, upon determining there has been a violation, notify the violator of the violation. Said notice shall set forth the nature, date and time of violation, the name of the officer issuing the notice and the amount of the scheduled penalty.
 4. Payment. Once such notice is given, the alleged violator may, within twenty (20) days of the time of issuance of the notice pay the amount set forth on the notice, or may request a hearing in writing, as provided for hereafter. The penalty may be paid in person or by mail, and payment shall be deemed to be an admission of the violation.
 5. Hearing. Any person contesting an administrative offense pursuant to this Chapter may request a hearing before the Hearing Examiner. Such request shall be filed in writing with the public safety director within twenty (20) days of the offense. The public safety director shall notify the Hearing Examiner, who will notify the person contesting and the licensee of the date, time, and place of hearing. The hearing shall be conducted no more than twenty (20) days after the Hearing Examiner receives notice of the request, unless a later date is mutually agreed to by the Hearing Examiner, the licensee, the person contesting and the City. Within ten (10) days after such hearing, the Hearing Examiner shall affirm, repeal, or modify the charge against the licensee or the person contesting. Any person aggrieved by the decision of the Hearing Examiner may appeal to the public safety director within twenty (20) days of receiving notice of the Hearing Examiner's decision. At its next available regular meeting following the filing of a notice of appeal, the Council shall review the decision and findings of fact of the Hearing Examiner and shall affirm, repeal or modify that decision.

6. **Hearing Examiner.** The position of Hearing Examiner is hereby created. The city manager may, at his discretion and with the approval of the city council, contract with third parties for the furnishing of all services of the Hearing Examiner as contained in this Chapter and set the rate of compensation therefore.
7. **Qualifications.** The Hearing Examiner shall be an individual trained in law; however, it shall not be required that the Hearing Examiner be currently licensed to practice law in the State of Minnesota.
8. **Duties:** The Hearing Examiner shall have the following duties:
 - A. Set dates and hear all contested cases.
 - B. Take testimony from all interested parties.
 - C. Make a complete record of all proceedings including findings of fact and conclusions of law.
 - D. Affirm, repeal or modify the penalty assessed.
9. **Failure to Pay.** In the event a party charged with an administrative penalty fails to pay the penalty, if an individual, the party will be charged with the criminal offense; if a licensee, the city council will suspend the license issued to the licensee under this Chapter.
10. **Disposition of Penalties.** All penalties collected pursuant to this Chapter shall be paid to the City's treasurer and will be deposited in the City's general fund.

610.16. VIOLATIONS

1. **Administrative Civil Penalties: Individuals.** Any person in the employ of a licensee who sells any malt liquor or intoxicating liquor to a person under the age of twenty-one (21) years is subject to an administrative penalty; and any person under the age of twenty-one (21) years who attempts to purchase any malt liquor or intoxicating liquor from a licensee is subject to an administrative penalty. The administrative penalties are as follows:
 - A. **First violation.** The penalty for the first violation is \$250.00.
 - B. **Second violation within 12 months.** The penalty for the second violation is \$500.00.
 - C. **Third violation within 12 months.** The penalty for the third violation is \$750.00.

2. **Administrative Civil Penalties; Licensee.** If a licensee or an employee of a licensee is found to have sold any malt liquor or intoxicating liquor to a person under the age of twenty-one (21) years, the licensee shall be subject to an administrative penalty as follows:

- A. **First violation.** The penalty for the first violation is \$500.00. If the fine is not paid within 20 days the City may suspend the license issued to the licensee under this Chapter for a period not to exceed 10 days.
- B. **Second violation within 12 months.** The penalty for the second violation is \$1000.00. If the fine is not paid within 20 days the City may suspend the license issued to the licensee under this Chapter for a period not to exceed 30 days.
- C. **Third violation within 12 months.** The city may permanently revoke the license issued to the licensee under this Chapter.

3. **Defense.** It is a defense to the charge of selling malt liquor or intoxicating liquor to a person under the age of twenty-one (21) years, that the licensee or individual, in making the sale, reasonably and in good faith relied upon representation of proof of age described in Minnesota Statute Section 340A.503. Subdivision 6(a).

4. **Exemption.** A person, no younger than 18 and no older than 20, may be enlisted to assist in the tests of compliance. The person shall at all times act only under the direct supervision of a law enforcement officer or an employee of the licensing department, or in conjunction with a compliance check effort that has been pre-approved by the Fridley police department. A person who purchases or attempts to purchase malt liquor or intoxicating liquor while in this capacity is exempt from the penalties imposed by Section 610.16.1 above.

5. **Revocation.** The City Council has the authority to revoke any license as noted in City Code Section 11.08.

610.17. PENALTIES

Any violation of this Chapter is a misdemeanor and is subject to all penalties provided for such violation under the provisions of Chapter 901 of this Code.