

CHAPTER 3
BEER AND LIQUOR LICENSING AND REGULATION

Section 3.01. **Definitions.** The following terms, as used in this Chapter, shall have the meanings stated:

Subd. 1. "Applicant" means any person making an application for a license under this Chapter.

Subd. 2. "Application" means 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.

Subd. 3. "Beer" means non-intoxicating malt liquor which contains not in excess of 3.2 percent alcohol by weight.

Subd. 4. "Church" shall mean a building which is principally used as a place where persons of the same faith regularly assemble for the public worship of God.

Subd. 5. "Club" means any corporation duly organized under the laws of the State for civic, fraternal, social, or business purposes or for intellectual improvement or for the promotion of sports, which shall have more than fifty members, and shall, for more than a year, have owned, hired or leased a building or space in a building of such extent and character as may be suitable and adequate for the reasonable and comfortable accommodation of its members, and whose affairs and management are conducted by a Board of Directors, Executive Committee, or other similar body chosen by the members at a meeting held for that purpose, none of whose members, officers, agents or employees are paid directly or indirectly any compensation by way of profit for the distribution or sale of beverages to the members of the club, or to its guests, beyond the amount of such reasonable salary or wages as may be fixed and voted each year by the members or other governing body.

Source: Ord. 335-2nd Series
Effective Date: 12/28/92

Subd 6. "Compliance checks" shall mean the system the city uses to investigate and ensure that those authorized to sell and/or serve beer, wine, malt liquor, and liquor are following and complying with the requirements of this ordinance. Compliance checks shall involve the use of those under the age of 21 as authorized by this ordinance. Compliance checks shall also mean the use of persons under 21 years of age who attempted to purchase beer, wine, malt liquor, and liquor for educational, research and training purposes as authorized by State and Federal laws. Compliance checks may also be conducted by other units of government for the purpose of enforcing appropriate Federal, State, or local laws and regulations relating to beer, wine, malt liquor and liquor.

Subd. 7. "Consume" means the actual drinking of intoxicating liquor or the having of intoxicating liquor in a glass or other container other than the original container in which said intoxicating liquor is contained, whether in its original form or mixed with any other ingredient for the purpose of consumption.

Subd. 8. "Display" means having any beer or liquor in a container other than the original container in which said beer or liquor was delivered to the licensed premises, or the presence of such beer or liquor in the original sealed container at any location in the licensed premises other than that where it is customarily kept prior to sale for storage, refrigeration or advertising purposes; provided, further, that use of original containers for advertising purposes shall not be permitted at any place in the licensed premises where such beverage is customarily consumed.

Subd. 9. "Exclusive liquor store" as herein used means an establishment used exclusively for the sale of intoxicating liquors, cigars, cigarettes, all forms of tobacco, non-intoxicating malt beverages, soft drinks at retail, either on-sale or off-sale, or both, and foodstuff incidental to the sale hereinbefore but not including prepared meals or foodstuff as a principal item of sale.

Subd. 10. "Hotel" and "motel".

A. For purposes of the beer licensing provisions of this chapter, "hotel" or "motel" means and includes any establishment having a resident proprietor or manager, where, in consideration of payment therefor, food and lodging are regularly furnished to transients, and which contains not less than ten guest rooms with bedding and other suitable and necessary furnishings in each room, and which is provided with a suitable lobby, desk and office for the registration of its guests at the main entrance and on the ground floor, and which employs an adequate staff to provide suitable and usual service, and which maintains under the same management and control as the rest of the establishment and has an integral party thereof a dining room with appropriate facilities for seating not less than thirty guests at one time, which the general public is, in consideration of payment therefor, served with meals at tables.

B. For purposes of the liquor licensing provisions of this chapter, "hotel" or "motel" means and includes any establishment having a resident proprietor or manager, where in consideration of payment therefor, food and lodging are regularly furnished to transients, which maintains for the use of its guests not less than fifty (50) guest rooms with bedding and other usual suitable and necessary furnishings in each room, which is provided at the main entrance with a suitable lobby, desk and office for registration of its guests on the ground floor, which employs an adequate staff to provide suitable and usual service, and which

maintains under the same management and control as the rest of the establishment and has, as an integral part thereof, a dining room with appropriate facilities for seating not less than seventy-five (75) guests at one time, where the general public is, in consideration of payment therefor, served meals at tables. The restaurant facilities of a hotel or motel shall be provided in a separate room apart from any bar room which provides specified seating for guests to whom meals may also be served, and must provide ingress-egress for guest therein without their having to go into or pass through a bar room area.

Subd. 11. "Intoxicating liquor" and "liquor" means ethyl alcohol and distilled, fermented, spirituous, vinous and malt beverages containing in excess of 3.2 percent of alcohol by weight.

Subd. 12. "License" means a document, issued by the City, to an applicant permitting the applicant to carry on and transact the business stated therein.

Subd. 13. "Licensee" means an applicant who, pursuant to their application, holds a valid, current, unexpired and unrevoked license from the City for carrying on the business stated therein.

Subd. 14. "License fee" means 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.

Source: Ord. 335-2nd Series
Effective Date: 12/28/92

Subd. 15. "License year" means a calendar year from January 1 through December 31.

Subd. 16. "Manufacture" includes every person who, by any process of manufacture, fermenting, brewing, distilling, refining, rectifying, blending or by combination of different materials prepares or produces intoxicating liquors or beer for sale.

Subd. 17. "Off sale" means the retail sale of beer or liquor in original packages for consumption off or away from the premises where sold.

Subd. 18. "On sale" means the retail sale of liquor by the glass or by the drink, or beer by the bottle or glass, for consumption on the premises where sold only.

Subd. 19. "Package" and "original package" mean any container or receptacle holding liquor, beer or wine, which container or receptacle is corked, capped or sealed by a manufacturer or wholesaler.

Subd. 20. "Person" includes a natural person of either sex, co-partnership, corporation and association of persons and the agent or manager of any of the aforesaid. The singular in number includes the plural, and the masculine pronoun includes the feminine and neuter.

Source: Ord. 411-2nd Series
Effective Date: 4/27/98

Subd. 21. "Public premises" as used in this Chapter includes restaurants, taverns, dance halls and other facilities operated for profit. Private or membership clubs and lodges shall be deemed public premises if they regularly sell beer, soft drinks or other liquids for mixing with intoxicating liquor for profit; however, such private or membership clubs and lodges shall not be deemed public premises if the mixing and consumption of intoxicating liquor thereon is causal and not for profit.

Subd. 22. "Restaurant."

A. For purposes of the beer licensing provisions of this chapter, "restaurant" means any commercial establishment for the sale of food for consumption on its premises, any commercial establishment for the sale of beer and liquor for consumption on its premises, any commercial establishment for the sale of soft drinks for consumption on its premises, or, any commercial establishment for the sale of any combination of the foregoing or operation of a business of any type in combination with any of the foregoing.

Source: Ord. 335-2nd Series
Effective Date: 12/28/92

B. For purposes of the liquor licensing provisions of this chapter, "restaurant" means any establishment other than a hotel or motel, under the control of a single proprietor or manager, having appropriate facilities to serve meals, for seating not less than fifty (50) guests at one time, and where in consideration of payment therefor, meals are regularly prepared on the premises and served at tables to the general public, and which employs an adequate staff for the usual and suitable service to its guests.

Source: Ord. 745-2nd Series
Effective Date: 03/28/16

C. For purposes of this Chapter, "meals" are food prepared on the premises for immediate consumption, that is, food which would ordinarily be consumed without delay and without further preparation or storage. A "restaurant" specifically does not include limited food service establishments which serve only prepackaged food which receives no more than heat treatment.

Source: Ord. 411-2nd Series
Effective Date: 4/27/98

Source: Ord. 700-2nd Series
Effective Date: 07/14/14

Subd. 23. "Sale", "sell" and "sold" mean all forms of barter and all manner or means of furnishing merchandise to persons including such furnishings of beer and intoxicating liquor in violation or evasion of law.

Subd. 24. "Temporary License". A temporary on-sale beer or liquor license means a license issued to a club or charitable, religious, or non-profit organization for a period of not to exceed three (3) days.

Subd. 25. "Wholesale" includes any sale for purposes of resale.

Subd. 26. "Wholesaler" means any person engaged in the business of selling liquor, beer or wine to retail dealers.

Source: Ord. 903-2nd Series
Effective Date: 2/26/2024

Section 3.02. **Applications and Licenses - Procedure and Administration.**

Subd. 1. **Forms.** All applications shall be made at the office of the City Clerk upon forms which have been adopted by resolution of the Council and prepared by the City. All questions asked or information required by application form shall be answered fully and completely by the applicant. Licenses shall also be in the form required by the Council. Application and license forms for initial, duplicate or renewal licenses may vary in such manner as the Council may determine.

Subd. 2. **False Statements.** It is unlawful for any applicant to intentionally make a false statement or omission upon any application form. Any false statement in such application form, shall, upon discovery of such falsehood, work an automatic refusal of license, or if already sued, shall render any license or permit issued pursuant thereto void and of no effect to protect the applicant from prosecution for violation of this Chapter or any part hereof.

Subd. 3. **Action.**

A. **Granting.** The Council may grant any application for a period of the remainder of the then current calendar year or for the entire ensuing license year. All applications including proposed license periods must be consistent with this Chapter.

B. **Issuing.** If an application is granted, the Mayor and City Clerk shall forthwith issue a license pursuant thereto in the form adopted by resolution of the Council and upon payment of the license fee. All licenses shall be on a calendar year basis unless otherwise specified herein as to particular businesses. Licenses shall be valid only at one location and on the premises therein described.

C. **Transfer.** No liquor license shall be transferable between persons or transferable to a different location without prior consent of the Council and upon payment of the fee for a duplicate license. A beer license may be transferred from one person to another or from one place to another upon application to and consent of the Council and the payment of a transfer fee. The amount of the transfer fee shall be set by Resolution of the City Council. If an application for transfer is denied, the transfer fee shall not be refunded, but remain the property of the City.

D. **Refusal, Revocation and Termination.** The Council may, in its sole discretion and for any reasonable cause, refuse to grant any application, or revoke any license. No license shall be granted to a person of questionable moral character or business reputation. Before revocation of any license, the Council shall give notice to the licensee and grant such licensees opportunity to be heard. Notice to be given and

the exact time of hearing shall be stated in the resolution calling for such hearing. Licenses shall terminate only by expiration or revocation.

Subd. 4. **Duplicate Licenses.** Duplicates of all original licenses may be issued by the City Clerk, without action by the Council, upon licensee's affidavit that the original has been lost, and upon payment of a fee for issuance of the duplicate. The amount of the fee shall be set by Resolution of the City Council. All duplicate licenses shall be clearly marked DUPLICATE.

Subd. 5. **Posting.** All licenses shall post their licenses in their places of business.

Subd. 6. **Temporary "On-Sale" License.**

A. Any club or charitable, religious or non-profit organization may be issued a temporary "on-sale" license for the sale of non-intoxicating malt liquor or intoxicating beer, liquor, or wine in accordance with the provisions set forth in this Section 3.02, and upon such terms and conditions as may be imposed by the Alexandria City Council, which shall be in addition to the requirements established in all related sections of this Alexandria City Code.

B. Any brewer who manufactures fewer than 3,500 barrels of malt liquor in a year and who has been issued a Brewer Taproom License by the City of Alexandria may be issued a temporary license for the on-sale of intoxicating liquor in connection with a social event sponsored by the brewer and within the City of Alexandria, and upon such terms and conditions as may be imposed by the Alexandria City Council, which shall be in addition to the requirements established in all related sections of this Alexandria City Code.

Source: Ord. 786-2nd Series
Effective Date: 08/27/18

Subd. 7. **Compliance Checks and Inspections.** All licensed premises shall be open to inspection by the City police or other authorized City official during regular business hours. From time to time, but at least once per year, the City shall conduct compliance checks by engaging persons over the age of eighteen (18) years but less than twenty-one (21) years, to enter the licensed premise to attempt to purchase beer, wine, malt liquor, or liquor. Persons who are used for the purpose of compliance checks shall be supervised by City designated law enforcement officers or other designated City personnel. Persons under 21 years of age who are used for compliance checks shall not be guilty of unlawful possession of beer, wine, malt liquor, or liquor when such items are obtained as a part of the compliance check. No person under 21 years of age who is used in compliance checks shall attempt to use a false identification misrepresenting the person's age, and all persons lawfully

engaged in a compliance check shall answer all questions about the person's age asked by the licensee or his or her employee and shall produce any identification, if any exists, for which he or she is asked. Nothing in this section shall prohibit compliance checks authorized by State or Federal laws for educational, research, or training purposes, or required for the enforcement of a particular State or Federal law.

Subd. 8. Penalties for Failure of Compliance Check.

A. Licensee. Any licensee found to have violated this ordinance, or whose employee shall have violated this ordinance, shall be subject to the following penalties:

1. First Compliance Check Failure - \$500 fine and certification demonstrating completion of training for all employees regarding sale to those under the age of 21. Said certificate shall be provided to the City within 60 days of the violation.

2. Second Compliance Check within 36 months of initial violation - \$1,000 fine and certification demonstrating completion of training for all employees regarding sale to those under the age of 21. Said certificate shall be provided to the City within 60 days of the violation.

3. Third Compliance Check Failure within 36 months of initial violation - \$2,000 fine and seven day suspension of license by City Council. Within 30 days of the violation, the licensee shall install point-of-sale equipment that is able to electronically verify age of all customers who attempt to purchase beer, wine, and liquor.

4. Fourth Compliance Check Failure within 36 months of initial violation - Revocation of license by City Council

B. Other Individuals. Other individuals found involved in the sale to those under the age of 21 shall be subject to the following penalties:

1. First Sale to those under the age of 21 - \$500 administrative fine

2. Second and all subsequent sales to those under the age of 21 within 36 months - Subject to criminal citation

Subd. 9. Suspension and Revocation. The City Council may either suspend for a period of time not to exceed sixty (60) days or revoke any liquor license issued pursuant to this Chapter or state statute upon a finding that the licensee has failed to comply with any applicable statute, regulation or ordinance relating to the license. No suspension or revocation shall take effect until the licensee has been afforded an opportunity for a

hearing pursuant to Minn. Stat. Sections 14.57 to 14.70 (Administrative Procedure Act). Lapse of required insurance or bond shall result in an immediate suspension of any license issued pursuant to this Ordinance without further action by the City Council. Notice of cancellation, lapse of current liquor liability policy or bond shall also constitute notice to the licensee of the impending suspension of the license. The holder of the license who has received notice of lapse of required insurance or bond may, in writing, request a hearing thereon. A hearing will be held at the next regularly scheduled City Council meeting with notice to the licensee. Any suspension under this paragraph shall continue until the City Council determines that the financial responsibility requirements of this ordinance have again been met.

Source: Ord. 903-2nd Series
Effective Date: 2/26/2024

Source: Ord. 411-2nd Series
Effective Date: 4/27/98

(Sections 3.03 through 3.05, inclusive, reserved for future expansion)

Section 3.06. **Beer Licenses.**

Subd. 1. **Beer License Required.** It is unlawful for any person to sell, or keep or offer for on-sale or off-sale, any beer without a license therefor from the City.

Subd. 2. **Beer License Fees.** The following beer license fees shall be set by Ordinance of the City Council:

Source: Ord. 593-2nd Series
Effective Date: 1/22/07

- A. The annual on-sale beer license fee.
- B. The annual off-sale beer license fee.
- C. The annual off-sale wholesale license fee.
- D. The fee for a temporary beer license as authorized by Section 3.02, Subdivision 6.

Subd. 3. **Beer License Restrictions.**

A. Number of Off-Sale Licenses. The number off-sale beer licenses granted at any one time is unrestricted.

B. Number of On-Sale Licenses. The number of on-sale beer licenses granted at any one time is unrestricted.

C. Number of Wholesale Licenses. The number of wholesale beer licenses granted at any one time is unrestricted.

D. No license shall be issued or renewed if the applicant, within a period of five (5) years prior to the date of such application, has been convicted of violating any law relating to the sale of beer or liquor.

E. No beer licensee shall, during the effective period of such license, be the owner or holder of a Federal Retail Liquor Dealer's Special Tax Stamp for the sale of intoxicating liquor, and ownership or holding thereof shall be grounds for revocation.

F. No license shall be granted to a manufacturer of beer or to anyone holding a financial interest in such manufacture.

G. No on-sale license shall be granted on premises within 150 feet of any public school building.

H. No person under the age of 18 shall be employed to sell or serve beer in any on-sale establishment.

I. No licensee shall prevent a peace officer from entering upon and inspecting the premises of the licensee

during business hours without a search and seizure warrant, and such peace officer may seize all intoxicating liquors found on the licensed premises.

J. No beer licensee shall permit liquor consumption upon the licensee's premises, or permit any person to bring the same thereon.

K. Each licensee of the City of Alexandria for on-sale or off-sale beer shall, as a condition precedent to the securing or renewal of a license for the sale of beer, establish proof of financial responsibility by either of the methods set forth in Minn. Stat. Section 340A.409.

Source: Ord. 335-2nd Series
Effective Date: 12/28/92

Subd. 4. Beer Sale Restrictions.

A. Hours of Sale. No off-sale of beer shall be made between the hours of 1:00 a.m. and 8:00 a.m. on any weekday, Monday through Saturday, inclusive. Neither shall any beer sale be made on any Sunday between the hours of 1:00 a.m. and 11:00 am. No on-sale beer sales shall be made between the hours of 2:00 a.m. and 8:00 a.m. on any weekday, Monday through Saturday, inclusive. Neither shall any on-sale beer sales be made on any Sunday between the hours of 2:00 a.m. and 10:00 a.m.

Source: Ord. 765-2nd Series
Effective Date: 06/12/17

1. No sales between the hours of 1:00 a.m. and 2:00 a.m. shall be made unless and until the licensee shall have obtained a permit from the Commissioner of Public Safety as required by Minn. Stat. § 340A.504, Subd. 7.

Source: Ord. 672-2nd Series
Effective Date: 12/27/11

B. Restrictions on Persons under the age of 21.
It is unlawful for any:

1. Licensee or licensee's employee to sell or serve beer to any person under the age of 21 or to permit any person under the age of 21 to consume beer on the licensed premises or to permit any person under the age of 21 to loiter or to remain in the room where beer is being sold or served unless accompanied by his or her parent or legal guardian.

2. Person other than the parent or legal guardian to procure beer for any person under the age of 21.

3. Person to induce a person under the age of 21 to purchase or procure beer.

4. Person under the age of 21 to misrepresent his or her age for the purpose of obtaining beer.

5. Person under the age of 21 to consume any beer, unless consumed in the household of his or her parent or guardian and with the consent of the parent or guardian.

6. Person under the age of 21 to have in his or her possession any intoxicating beer, with intent to consume the same at a place other than the household of his parent or guardian. Possession of such beer at a place other than the household of his parent or guardian shall be prima facia evidence of intent to consume the same at a place other than the household of his parent or guardian.

C. Beer Sales to Intoxicated Persons. It is unlawful to sell beer to a person who is in an intoxicated condition or who is a habitual drunkard.

Subd. 5. **Beer Consumption Generally.** It is unlawful for any person to consume beer in any public place or on any public street, or in vehicle on a street or other public ground within the City, or in any public place of recreation except in such places as are duly licensed to sell beer, or to permit the mixing of alcoholic beverages on its premises. It is unlawful for any operator to any unlicensed place of business to permit consumption of beer on the unlicensed premises. Provided, however, that beer may be consumed by persons at least 21 years of age in public places or upon public streets within the limited time and area designated in a Temporary Off-Premise Festival Liquor License granted by the City.

Source: Ord. 704-2nd Series
Effective Date: 08/25/14

Section 3.07. **On-Sale Liquor Licenses.**

Subd. 1. **Statement of Purpose.** This ordinance shall set forth minimum criteria for the licensing of private liquor vendors, and enact rules for the regulation, sale and consumption of intoxicating liquor. It is the policy of the City by adopting this ordinance to provide that the municipal liquor dispensary operated by the City of Alexandria be continued in any decisions to issue an on-sale license under the terms of this ordinance. It is the further intent of this ordinance to promote and encourage the construction, development or improvement of restaurant or hotel-motel facilities as defined hereunder, and to balance the interests of the municipal liquor dispensary with the overall benefit to the community of Alexandria resulting from the construction, development or improvement of restaurants and hotels/motels and the issuance of on-sale liquor licenses thereto.

Subd. 2. **Provisions of State Law Adopted.** The provisions of Minn. Stat. Chapter 340A, relating to the definition of terms, licensing, consumption, sales, conditions of bonds of licenses, hours of sale, and all other matters pertaining to the sale, distribution and consumption of intoxicating liquor are adopted and made a part of this ordinance as if set out in full.

Subd. 3. **License Required.**

A. **General Requirement.** No person, except a wholesaler or manufacturer to the extent authorized under state license, shall directly or indirectly deal in, sell or keep for sale in the City any intoxicating liquor without a license to do so as provided in this ordinance. Liquor licenses shall be "on-sale" only.

B. **On-Sale Licenses.** "On-sale" licenses shall be issued only those establishments as authorized by Minn. Stat. Section 340A.404 and shall permit only "on-sale" of liquor.

C. **On-Sale Wine Licenses.** The licenses issued pursuant to this section shall include all privileges and benefits granted to a restaurant for the sale of wine in connection with the sale of food as authorized by Minn. Stat. Chapter 340A and Alexandria City Code Section 3.14, and no additional license therefor shall be required. The authority for the granting of this license shall not, however, preclude the issuance of a separate license for only "on-sale wine" to a restaurant pursuant to Minn. Stat. Chapter 340A and Alexandria City Code Section 3.14, should the restaurant so elect.

Source: Ord. 335-2nd Series
Effective Date: 12/28/92

Subd. 4. **Number of Licenses.** The maximum number of licenses to be issued under the authority of this Ordinance shall be twelve (12). The City Council shall consider all liquor license applications in the order in which they are received by

the City Administrator. An application will not be submitted to the City Council for consideration unless it is complete and all required documentation is submitted with the application. If the City receives an application and no liquor licenses are available at the time of receipt, the application will be placed on file and the applicant will be notified in the order of receipt when a license becomes available. At the time that the applicant is notified of the availability of a license, the applicant must inform the City in writing within one (1) week whether the applicant wishes to activate the application or the applicant is withdrawing the application.

Source: Ord. 456-2nd Series

Effective Date: 11/27/00

Subd. 5. **Application.**

A. **Contents of Application.** Every application shall contain the following:

1. **Verification.** Every application for a license shall be verified and filed with the City Clerk.

2. **Form.** In addition to the information required by the State Liquor Control Commission and the Minnesota Bureau of Criminal Apprehension, the initial application shall also contain the further information required herein, as well as other information that the City Council may from time to time require.

3. **Nature of Application.** The application shall show whether the applicant is a natural person, corporation, partnership or other form of organization.

4. **Type of Application.** The application shall state the type of licenses the applicant seeks.

5. **Natural Person.** If the applicant is a natural person, the following information shall be required:

a. True name, place and date of birth and street address of applicant.

b. Whether applicant has ever used or been known by a name other than his or her true name and, if so, what was such name or names, and information concerning dates and places where used.

c. The name of the business if it is to be conducted under a designation, name or style other than the full individual name of the applicant. In such case, a copy of the certification, as required by Minnesota Statutes Chapter 333, certified by the Clerk of the District Court, shall be attached to the application.

d. Whether the applicant is married or single. If married, true name, place and date of birth and street residence address of applicant's present spouse.

e. Street addresses at which applicant lived during the preceding five (5) years.

f. Kind, name and location of every business or occupation applicant has been engaged in during the preceding five (5) years.

g. Names and addresses of applicant's employers and partners, if any, for the preceding five (5) years.

h. Whether the applicant has ever been convicted of any felony, crime or violation of any ordinance, other than traffic offenses, except that alcohol related driving offenses shall be reported. If so, the applicant shall furnish information as to the time, place and offense for which convictions were had.

i. Whether applicant or applicant's spouse have ever been engaged as an employer or in operating a saloon, hotel, restaurant, cafe, tavern or other business of a similar nature. If so, applicant shall furnish information as to the time, place and length of time of such employment or operation.

j. Whether applicant has ever been in the military service. If so, applicant shall upon request exhibit all discharges.

k. The name of the manager or proprietor or other agent in charge of the premises to be licensed.

6. **Partnership.** If the applicant is a partnership, the names and addresses of all partners and all information concerning each partner as is required of a single applicant in subdivision e above. A managing partner, or partners, shall be designated. The interest of each partner in the business shall be disclosed. A true copy of the Partnership Agreement shall be submitted with the application. If and in the event the composition of the partnership shall change at any time subsequent to the initial application, any amended partnership agreements must be filed with the City. If the partnership is required to file a certificate as to trade name under the provisions of Minnesota Statutes Chapter 333, a true copy of such certificate certified by the Clerk of District Court shall be attached to the application.

7. **Corporation.** If the applicant is a corporation or other association and is applying for an "on-sale" license, the following information shall be required:

a. Name and if incorporated, the state of incorporation.

b. A true copy of Certificate of Incorporation, Articles of Incorporation, or Association Agreement and Bylaws, and, if a foreign corporation, a certificate of authority, as described in Minnesota Statutes Chapter 303.

c. The name of the manager, proprietor or other agent in charge of the premises to be licensed, giving all the information about said person as is required of a single applicant in subdivision e above.

d. A list of all persons who, whether individually or with another, own or control any interest in said corporation or association together with their addresses and all information as is required of a single applicant in subdivision e above.

8. **Legal Description.** The exact legal description of the premises to be licensed together with plot plan of the area showing dimensions, location of buildings, street access, parking facilities and the locations of and distances to the nearest church or school building.

9. **Street Address.** The street number where the sale of intoxicating liquors is to be conducted and the rooms where liquor is to be sold or consumed.

10. **Federal Permit.** If a permit from the federal government is required by the laws of the United States, whether or not such a permit has been issued, and if so required, in what name issued and the nature of the permit.

11. **Financial Interest.** The names and addresses of all persons, other than the applicant, who have any financial interest in the business, buildings, premises, fixtures, furniture, stock in trade; the nature of such interest, amount thereof, terms for payment or other reimbursement. This shall include, but not be limited to, any lessees, lessors, mortgagees, mortgagors, lenders, lienholders, trustees, trustors and persons who have co-signed notes or otherwise loaned, pledged or extended security for any indebtedness of the applicant.

12. **Plans.** The application for an "on-sale" license to sell intoxicating liquor, or for the transfer thereof, shall be accompanied by a set of plans showing the design of the proposed premises to be licensed, the dining room or dining rooms which shall be opened to the public, and shall show dimensions and indicate the number of persons intended to be served, and identify the rooms or portions of the premises where intoxicating liquors are to be sold and where liquor is to be consumed.

13. **Value of Fixtures.** The value of the fixtures and structures, exclusive of land, on the premises proposed to be licensed.

14. **References.** The names, residences and business addresses of three (3) persons not related to the applicant or financially interested in the premises or business to be licensed, 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.

15. **Taxes.** Whether or not all real estate and other taxes for the premises and the business to be licensed have been paid, and if not paid, the years for which they are delinquent.

16. **Release of Information.** A release authorizing the City of Alexandria to obtain all financial information that may be appropriate.

17. **Other Information.** Such other information as the City Council shall require. The requirements of this section and other sections of this ordinance set forth minimum requirements but the council reserves the right to consider any and all other factors as to the qualifications of any applicant and the suitability of any location.

18. **Execution of Application.** If the application is by a natural person, it shall be signed and sworn to be such person; if by a corporation, by an officer thereof; if by an unincorporated association, by the manager or managing officer thereof. If the applicant is a partnership, the application, license and bond (for insurance policy) shall be made and issued in the name of all partners.

B. **Bond.** This section is deleted.

Source: Ord. 691-2nd Series
Effective Date: 12/09/13

C. **Liability Insurance.** Prior to the issuance of a liquor license, the applicant shall file with the City Clerk a liability insurance policy in the amount of \$300,000 coverage for one person and \$600,000 coverage for more than one person and shall comply with the provisions of Minnesota Statutes Section 340A.409 relating to liability insurance policies. If a liability insurance policy is made subject to all the conditions of a bond under that statute, the policy may be accepted by the council in lieu of the bond required under section 5.2 hereof.

D. **Approval of Security.** The security offered under section 5.3 of this section shall be approved by the City Council and by the State Commissioner of Public Safety and liability insurance policies shall be approved as to form by the City Attorney. Operations of a licensed business without having

on file with the City at all times effective security as required in 5.3 of this section, is a cause for revocation of the license.

Source: Ord. 691-2nd Series
Effective Date: 12/09/13

Subd. 6. Renewal Application.

A. Time For Renewal Application. Applications for the renewal of an existing license shall be made at least sixty (60) days prior to the date of the expiration of the license. If, in the judgment of the City Council, good and sufficient cause is shown by any applicant for failure to file a renewal application within the time prescribed above, the City Council may nevertheless receive such application.

B. Forms of Renewal Application. The renewal application shall be made on such forms as may be required by the State Liquor Control Commission and the Minnesota Bureau of Criminal Apprehension. In addition, the applicant shall provide that information required by the City Council on such abbreviated forms as the City Council may from time to time approve. In addition to such information as the City Council may require from Subd. 6 above, the applicant must file with the City Clerk a verified affidavit signed by the individual applicant, a partner of a partnership applicant or an officer of a corporate applicant, or by a licensed public accountant that shows the total gross sales for food and beverages and total food sales of the restaurant for the current license year in which the renewal application is filed.

Source: Ord. 335-2nd Series
Effective Date: 4/27/98

Subd. 7. License Fees.

A. Fees.

1. "On-Sale" Licenses. The license fee for an "on-sale" license shall be \$3,600.00. The license fee for a seasonal "on-sale" licenses shall be \$1,800 for a six (6) month license and \$2,400 for a nine (9) month license.

Source: Ord. 766-2nd Series
Effective Date: 06/26/17

B. Payment. Each application for a license shall be accompanied by a receipt from the City Treasurer for payment in full of the license fee and the fixed investigation fee required under Subd. 8.1, if any. All fees shall be paid into the General Fund. If an application for a license is rejected, the Treasurer shall refund the amount paid as a license fee.

C. **Terms; Pro Rata Fee.** Each license shall be issued for a period of one year (annual) or for six or nine months (seasonal). If, however, an application for a new license is made during the license year, an annual license (but not a seasonal license) may be issued for the remainder of the year for a pro rata fee, with any unexpired fraction of a month being counted as one month. Annual licenses shall expire on the last day of December. Seasonal licenses expire on the date indicated on the license application.

Source: Ord. 766-2nd Series
Effective Date: 06/26/17

D. **Building Not Ready for Occupancy.** 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.

E. **Refunds.** No refund of any fee shall be made except as authorized by statute.

F. **Non-Transferability.** No transfer of license shall be permitted from place to place or person to person without complying with the requirements of any original application.

Subd. 8. **Granting of Licenses.**

A. **Investigation.** On an initial application for an "on-sale" license and on application for transfer of an existing "on-sale" license, the applicant shall pay with the application an investigation fee of \$500.00. The City shall request that its Chief of Police conduct a preliminary background and financial investigation of the applicant. The application in such case shall be made on a form prescribed by the State Bureau of Criminal Apprehension and with such additional information as the Council may require. If the 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. If the Council determines that a comprehensive background and financial investigation of the applicant is necessary, it may conduct the investigation itself or contract with the Bureau of Criminal Apprehension for the investigation. If an investigation outside the state is required, the applicant shall be charged the cost not to exceed \$10,000, which shall be paid by the applicant after deducting any initial investigation fee already paid. The fee shall be payable by the applicant whether or not the license is granted. Upon completion of the investigation, the Chief of Police shall make a written report and recommendation to the City Council of his or her findings, including a specific report on any violations of federal or state law or municipal regulations.

B. **Public Hearing - Initial Application.** For initial applications, upon receipt of the written report and

recommendation by the Police Chief of the City of Alexandria, and within twenty-one (21) days thereafter, the City Council shall instruct the Clerk to cause to be scheduled a public hearing, with notice thereof to be published in the official newspaper ten (10) days in advance of the scheduled hearing, setting forth the day, time and place when the hearing will be held, the name of the applicant, the premises where the business is to be conducted, the nature of the business, and such other information as the Council may direct. At the hearing, opportunity shall be given to any person to be heard for or against the granting of the license. After such investigation and hearing, the council shall grant or refuse the application in its discretion.

C. Public Hearing - Renewal Application. For on-sale license renewal applications the Council will hold a public hearing. Notice of the time and place of said hearing and the fact that on-sale license renewal applications will be considered shall be published in the official newspaper at least ten (10) days in advance of the hearing. An opportunity shall be given to any person to be heard for or against the granting of an on-sale license renewal. The Council shall grant or refuse the application in its discretion. A seasonal on-sale license application submitted by a licensee who operated under a seasonal on-sale license during the calendar year in which the application is submitted and who submitted the application on or before November 1 of that year shall be considered an application for a seasonal on-sale license renewal for investigation and public hearing requirements. All other seasonal on-sale license applications shall be considered initial applications for investigations and public hearing requirements. Applications for seasonal on-sale license renewals shall be considered at the same renewal hearing as annual on-sale license renewals.

Source: Ord. 766-2nd Series
Effective Date: 06/26/17

D. Vote Required. A four-fifths vote of the City Council shall be required for the granting of any license.

E. Person and Premises Licensed; Transfer. Each license shall be issued only to the applicant and for the premises described in the application. No license may be transferred to another person or place without City Council approval and without a new application having been filed. Any transfer of stock of a corporate licensee or any change in the composition of a partnership which is licensed is deemed a transfer of the license, and a transfer of stock or change in partnership composition without prior Council approval is a ground for revocation of the license.

F. Report to State. The Clerk shall, within ten (10) days after the issuance of any license under this ordinance, submit to the Liquor Control Commissioner the full name and address of each person granted a license, the trade name, the

effective license date, and the date of expiration of the license. The Clerk shall also submit to the Liquor Control Commissioner any change of address, transfer, cancellation or revocation of any license by the Council during the license period.

G. **Premises Under Construction.** If, at the time of granting a license, actual use of said license cannot be made until a future date because the subject premises are under construction, remodeling or improvement, or are otherwise not ready for occupancy, then the Council shall set a date by which actual use of the license must be made. If actual use is not made by the Council's specified date, then said license shall be null and void. In no event shall the City Clerk issue the license until notified by the Building Inspector that the building is ready for occupancy.

Subd. 9. **Persons Ineligible for License.** No license shall be granted to or held by any person:

A. Under nineteen (19) years of age.

B. Who is not of good moral character.

C. Who within five (5) years prior to the application for such license has been convicted of any willful violation of any law of the United States, the State of Minnesota, or any other state or territory, or of any ordinance regarding the manufacture, sale, distribution or possession for sale or distribution of intoxicating liquor, or whose liquor license has been revoked for any willful violation of any law or ordinance.

D. Who is a manufacturer or wholesaler of intoxicating liquor or whose retail business selling intoxicating liquor is owned directly or indirectly by a manufacturer or wholesaler of intoxicating liquor.

E. Who is directly or indirectly interested in any other establishment in the City of Alexandria to which an "on-sale" license has been issued under any ordinance. No person shall own an interest, as defined in Subd. 9.8 herein, in more than one establishment or business for which an "on-sale" license has been granted to any person if such person or any person who owns an interest in the establishment or business for which an "on-sale" license application is being filed, owns an interest in a business or establishment licensed under this ordinance.

F. Who, if a corporation, does not have a manager who is eligible pursuant to the provisions of this section.

G. Who is the spouse of a person ineligible for the license pursuant to the provisions of Subdivisions 9.3, 9.4 or 9.5 of this section, 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.

H. 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 arrangements; bona fide open accounts or other obligations held with or without security arising out of the ordinary and regular course of business or selling or security arising out of the ordinary and regular course of business or selling or leasing merchandise, fixtures or supplies to such establishment; or any interest of ten percent (10%) or less in any corporation holding a license. A person who receives moneys from time to time directly or indirectly from a licensee, in the absence of a bona fide consideration therefor 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.

Subd. 10. **Places Ineligible For License.**

A. **General Prohibition.** No license shall be issued for any place or any business ineligible for such a license under state law.

B. **Delinquent Taxes and Charges.** No license shall be granted for operation on any premises on which taxes, assessments or other financial claims of the City are delinquent and unpaid.

C. **Distance from School or Church.** No license shall be granted for any premises located within 300 feet of any church or school. The distances herein referred to shall be measured in a straight line from the nearest property boundary of the licensed premises to the nearest point of the church or school building. This limitation shall not, however, preclude the issuance of an on-sale license hereunder to an establishment which is currently issued a beer, wine or set-up license by the City, and which otherwise meets all requirements of this ordinance.

Source: Ord. 335-2nd Series
Effective Date: 12/28/92

D. **Fair Market Value.** No license shall be granted to a restaurant unless the licensee shall own or occupy licensed premises of the fair market value of \$100,000 including building, fixtures and equipment, but excluding land. No licensee shall be granted to any hotel or motel unless a licensee shall own or occupy a licensed premises in which the fair market value of the bar and restaurant portion, including fixtures and equipment, of such hotel or motel shall be \$250,000 excluding land.

Source: Ord. 411-2nd Series
Effective Date: 4/27/98

E. **Minimum Square Footage.** No "on-sale" license shall be granted for a restaurant that does not have a dining area, excluding of lounge, open to the general public, with a total minimum floor area of 1600 square feet or for a hotel or motel that does not have a dining area, exclusive of lounge, open to the general public, with a total minimum floor area of 1200 square feet. "Dining area" is defined as being sixteen (16) square feet of floor area for each guest.

F. **Private "on-sale" licenses.** Private "on-sale" licenses shall be issued in accordance with Minnesota Statute Chapter 340A.

Subd. 11. **Conditions of License.**

A. **In General.** Every license is subject to the conditions in the following subdivisions and all other provisions of this ordinance and of any other applicable ordinance, state law or regulation.

B. **Posting of License.** The license shall be posted in conspicuous place in the licensed establishment at all times.

C. **Licensee's Responsibility.** Every licensee is responsible for the conduct of the licensee's place of business and the conditions of sobriety and order in it. The act of any employee on the licensed premises authorized to sell intoxicating liquor is deemed the act of the licensee as well, and the licensee shall be liable to all penalties provided by this ordinance and the law equally with the employee.

D. **Noise.** The licensee shall operate the business in such a manner that it complies with Section 9.85 of the City Code.

E. **Area Limitation.** No license shall be effective beyond the space named in the license for which it was granted.

F. **No Persons Under Age of Nineteen Years.** No person under nineteen (19) years of age shall be employed in a room where "on-sales" are made and no such person shall be allowed to be or remain in such room unless accompanied by his or her parent or guardian, except that persons under nineteen (19) years of age may be employed to perform the duties of a bus person, dishwashing service, or as a musician.

G. **Inspection.** Every licensee shall allow any peace officer, health officer or properly designated officer or employee of the City to enter, inspect and search the premises of the licensee during business hours without a permit.

H. **Tampering with Package.** No licensee shall sell, offer for sale, or keep for sale, intoxicating liquors in any original package which has been refilled or partly refilled. No licensee shall directly or through any other person dilute 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 any intoxicating liquor in the original package differing in composition or alcoholic content in the liquor when received from the manufacturer or wholesaler from whom it was purchased, shall be prima facie evidence that the contents of the original package has been diluted, changed or tampered with.

I. **Federal Stamps.** No licensee shall apply for or possess a federal wholesale liquor dealer's special tax stamp or federal gambling stamp.

J. **No Ethyl Alcohol or Neutral Spirits.** No licensee shall keep ethyl alcohol or neutral spirits on any licensed premises or permit their use on the premises as a beverage or mixed with a beverage.

K. **Inspection of Business Records.** The business records pertaining to the ownership and operation of the licensee, including federal and state tax returns, shall be available for inspection by duly authorized representatives of the City or City Council at all reasonable times.

L. **Display During Prohibited Hours.** No "on-sale" establishment shall display liquor to the public during hours when the sale of liquor is prohibited.

M. **Percentage of Business Attributable to Selling Food.** A licensed restaurant shall be conducted in such a manner that no more than eighty-five percent (85%) of its gross sales from food and beverages for a license year is derived from the sale of intoxicating liquor. A hotel or motel shall be conducted in such a manner that the portion of the total gross sales attributed to or derived from the selling of intoxicating liquor shall be no more than eighty-five percent (85%) of the gross sales for foods and beverages for a license year. The on-sale license of any restaurant, hotel or motel whose sales of intoxicating liquor exceeds the eighty-five percent (85%) cap shall be subject to a \$500 fine. A second violation shall be a \$1,000 fine. A third violation shall result in revocation of the on-sale liquor license. Nothing herein shall prohibit the City from imposing other penalties. This Subdivision shall not limit the City's other enforcement authority as set forth in this Chapter.

N. **Renewal Application.** At the time of application for renewal of an "on-sale" license, the applicant shall submit to the City proof in the form of a verified affidavit signed by the individual applicant, a partner of a partnership applicant or an officer of a corporate applicant, or by a licensed

public accountant that no less than fifteen percent (15%) of the gross sales from food and beverages for the establishment for which the "on-sale" license is to be issued for the period of October 1 of the preceding year to September 30 of the current year has been derived from the sale of food. For a first-time renewal, the review period shall be January 1 to September 30 of the current year.

O. Changes in the corporate or association officers, corporate charter, Articles of Incorporation, Bylaws, stock ownership or Partnership Agreement as the case may be shall be submitted to the City within thirty (30) days after such changes are made. Notwithstanding the definition of "interest" as given in Subd. 5.1(k) of this Code, in the case of corporation the licensee shall notify the City when a person not listed in the application acquires an interest which together with that of the person's spouse, parent, brother, sister or child exceeds five percent (5%) and shall give all information about said person as required of a person pursuant to the provisions of Subd. 5.1(e) of this Code.

Source: Ord. 818-2nd Series
Effective Date: 2/24/2020

Subd. 12. **Restrictions on Purchase and Consumption.** No person shall consume liquor on a public highway, or in a public park, or other public place. Provided, however, that liquor may be consumed by persons at least 21 years of age on a public highway, or in a public place within the limited time and area designated in a Temporary Off-Premise Community Festival Liquor License duly granted by the City.

Source: Ord. 704-2nd Series
Effective Date: 08/25/14

Subd. 13. **Enlargement, Alterations or Extensions of Premises.** Proposed enlargement, alteration or extension of premises previously licensed shall be reported to the City Council at or before the time application is made for a building permit for any such change and the licensee also shall give such information as is required by Section 5 hereunder.

Source: Ord. 335-2nd Series
Effective Date: 12/28/92

Subd. 14. **Hours of Operation.**

A. No "on-sale" of intoxicating liquor¹ shall be

¹These restrictions shall not prevent the sale of wines for consumption on premises if permitted pursuant to Minn. Stat. Section 340A.404, Subd. 7 and the Alexandria City Code Section 3.14, on Sundays.

made during the times when such sale is prohibited by state law, and:

<u>Day/Date</u>	<u>Restricted Hours for On-Sale Intoxicating Liquor¹</u>
Monday	Sales after 2:00 a.m. and before 8:00 a.m.
Tuesday-Saturday	No sales between 2:00 a.m. & 8:00 a.m.
Sunday	For restaurants and bowling centers, no sales between 2:00 a.m. and 8:00 a.m. ¹

Source: Ord. 725-2nd Series
Effective Date: 06/22/15

*New Year's Day January 1	No sales between 2:00 a.m. & 8:00 a.m.
Memorial Day	No sales between 2:00 a.m. & 12:00 p.m.
*Independence Day July 4	No sales between 2:00 a.m. & 8:00 a.m.
Labor Day	No sales between 2:00 a.m. & 8:00 a.m.
*Thanksgiving Day	No sales between 2:00 a.m. & 8:00 a.m.
Christmas Eve Day December 24	No sales after 8:00 p.m.
*Christmas Day - December 25	No sales before 8:00 a.m.

*On sale establishments may operate at appropriate hours on these days except that the hours listed therein shall not be deemed to allow the operation of on-sale when otherwise prohibited by this Section or provisions of state law.

B. No sales between the hours of 1:00 a.m. and 2:00 a.m. shall be made unless and until the licensee shall have obtained a permit from the Commissioner of Public Safety as required by Minn. Stat. § 340A.504, Subd. 7.

Source: Ord. 672-2nd Series
Effective Date: 12/27/11

Subd. 15. **Penalty.** Any person violating any provision of this section is guilty of a misdemeanor.

Source: Ord. 455 - 2nd Series
Effective Date: 11/27/00

Subd. 16. **Severability.** If any section, sub-section, subdivision or provision of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

Subd. 17. **Municipal Liquor Dispensary.** Notwithstanding other provisions of this ordinance, the City of Alexandria is hereby authorized to continue to own and operate a municipal liquor dispensary for the sale of "off-sale" of intoxicating liquor to be controlled and operated under the direct supervision of the City Council and subject to the liquor laws of the State of Minnesota applicable to the operation of municipal liquor dispensaries.

Subd. 18. **Effective Date.** This ordinance becomes effective upon its passage and publication according to law.

Source: Ord. 411-2nd Series
Effective Date: 4/27/98

Section 3.08. **Temporary On-Sale Liquor Licenses.**

Subd. 1. Pursuant to Minn. Stat. Section 340A.404, Subd. 10, any club or charitable, religious, or other non-profit organization in existence for at least three years may be issued a temporary license for the on-sale of intoxicating liquor in connection with a social event within the City sponsored by the licensee. The issuance of the license shall be upon such terms and conditions as may be imposed by the Alexandria City Council which shall be in addition to the requirements established in all related sections of this Alexandria City Code.

Subd. 2. **License Fee.** The daily temporary on-sale license fee shall be set by Resolution of the City Council.

Source: Ord. 335-2nd Series
Effective Date: 12/28/92

Section 3.09 **Caterer's Permit.** Rescinded.

Source: Ord. 779-2nd Series
Effective Date: 12/26/17

Section 3.10 **Liquor Generally.**Subd. 1. **Certain Sales and Keeping for Sale Prohibited.**

It is unlawful for any person to manufacture or sell liquor, or to take, receive, solicit or place any order for intoxicating liquor or to have liquor in possession for sale, except when duly licensed to do so or as a transaction with or for the municipal liquor dispensary.

Subd. 2. **Sacramental Wine and Medicinal Liquor Excepted.** The prohibition herein shall not apply to possession or handling for sale or otherwise of sacramental wine or any representative of any religious order or for use in connection with a legitimate religious ceremony, nor to such potable liquors as are prescribed by licensed physicians and dentists for therapeutic purposes, nor to industrial alcohol and its compounds not prepared or used for beverage purposes.

Subd. 3. **Search Warrant to be Used.** Complaint being made before the Douglas County District Court charging any person with manufacturing, selling or keeping or having in possession for sale, or taking, receiving, soliciting, or placing any order for any intoxicating liquor, or having in possession any still, apparatus, implement, machine, device, contrivance, utensil or tablet or compound of any kind or nature, whether liquid or solid, or any formula, recipe or direction, or any matter, material or things of any kind in violation of any provision or part of this Subdivision, or designed or intended for use or used in committing a violation thereof, or with the keeping of a nuisance, and particularly describing the premises or place of said violation, the Judge of said District Court shall issue a warrant for the arrest of the person causing such violation, shall also issue a search warrant commanding any police officer of the City or any sheriff of Douglas County, Minnesota, to search such premises or place and seize and hold, subject to the order of such District Court, all liquor and every bar, bar fixture, vessel, container or receptacle of any kind, and every still, apparatus, implement, machine, device, contrivance, utensil or thing, and every tablet, compound or substance and all matter and material of any kind, whether liquid or solid, and every formula, recipe or direction found therein, any of which is apparently kept, had or possessed or manufactured or sold in violation of any provision of this Subdivision, or any of which is apparently designed or intended for use or used for or in, or in connection with any violation hereof, and make any inventory of the same and serve a copy thereof forthwith on the defendant or person in charge of the premises; provided, however, that failure to make, file or serve any such inventory shall not invalidate or in any way affect the legality of any search or seizure or proceeding or prosecution made or had under the provisions of this Subdivision.

Subd. 4. **Destruction or Concealing Prohibited.** The destruction, removal or concealment, or attempted destruction, removal or concealment of any vessel, container or receptacle of any kind apparently containing intoxicating liquor in any such

place or premises while a search thereof is being made under the provisions of this Subdivision, shall be prima facie evidence that such liquid was and is intoxicating. The destruction, mutilation, removal or concealment of any still, apparatus, implement, machine, device, contrivance, utensil or thing, or any tablet, compound or substance or material or matter of any kind, or any formula, recipe or direction apparently designed or intended for use or used for or in, or in connection with any violation of any provision or part of this Subdivision in or upon any such place or premises while a search thereof is being made under the provisions of this Subdivision, shall be prima facie evidence that the same was kept, had and possessed therein in violation of the provisions of this Subdivision and designed and intended for use and used in and in connection with such violation.

Subd. 5. **Disposition of Seized Property.** If the defendant in any criminal action be convicted hereunder, the liquor and every tablet, compound or substance and all matter and material of any kind, and every formula, recipe or direction, and every still, apparatus, implement, machine, device, contrivance or utensil found on the premises, or any of which constitutes or is designed or intended for use or used in or in connection with the nuisance or with the commission of the offense charged and for which the defendant was convicted, shall be destroyed under the direction of the Chief of Police, and all other articles seized, constituting or designed or intended for use or used for or in connection with the nuisance or with the commission of the offense and for which the defendant was convicted, shall be forfeited to the City and sold by and under the direction of the Chief of Police as upon execution.

Subd. 6. **License and Dispensary Restrictions and Conditions of Operation.**

A. No pool or billiard table shall be kept in the dispensary or any rooms connected therewith; nor shall anyone on such premises keep, possess or operate on such premises or in any room connected therewith any slot machine, dice or other gambling device or permit the same to be so kept or used.

B. No gambling shall be permitted on licensed or dispensary premises, nor shall any prostitute or person of known immoral character or any disorderly person be permitted on such premises.

C. No business other than the sale of liquor shall be carried on by the dispensary or other person employed therein during the time so employed.

D. Any dispensary or licensed premises may be inspected by the Health Officer at such time or times as necessary or advisable to maintain clean and sanitary conditions.

E. No person shall be permitted to loaf or loiter about dispensary premises habitually.

F. No licensed place of business shall be permitted to have swinging doors or opaque windows.

G. All licensed and dispensary sales shall be made in full view of the public.

H. Every licensee shall be responsible for the conduct of the licensee's place of business and for conditions of sobriety and order therein.

I. No person under eighteen (18) years of age shall be employed upon licensed or dispensary premises, or in any rooms constituting the same.

J. It is unlawful for any licensee or dispensary, or any employee thereof, to sell or serve liquor to any person under the age of twenty-one (21), or to permit any person under the age of twenty-one (21) to consume liquor on the licensed premises, or to permit any person under the age of twenty-one (21) to loiter or to remain in the room where liquor is being sold or served.

K. It is unlawful for any person to procure liquor for any person under the age of twenty-one (21).

L. It is unlawful to induce a person under the age of twenty-one (21) to purchase or procure liquor.

M. It is unlawful for any person under the age of twenty-one (21) to misrepresent his or her age for the purpose of obtaining liquor.

N. It is unlawful for any person under the age of twenty-one (21) to consume or have in their possession any liquor, unless otherwise authorized by law.

O. No person shall be employed in the dispensary or on license premises who has been convicted of a felony or of any law relating to the manufacture, sale or transportation of intoxicating liquors.

P. No equipment or fixtures in or upon a licensee's premises, or the dispensary premises, shall be owned in whole or in part by a manufacturer or wholesaler of liquors or beer.

Q. The room or rooms where liquor is sold shall be so arranged that an unobstructed view of any part of the room or rooms shall be visible to all persons in said room.

R. No sale of liquor shall be made on credit in either the dispensary or by a licensee.

S. All sales of intoxicating liquor by any

organization holding a "club license" shall be made to its members and bona fide guests only.

Source: Ord. 700-2nd Series
Effective Date: 07/14/14

T. It is unlawful for any person to consume liquor in any public place or on any public street, or in a vehicle on a street or other public ground within the City, or in a soft drink parlor, or public place of recreation except a restaurant, cafe and such places as are duly licensed to sell such liquor, or to permit mixing on its premises. It is unlawful for any operator of such place of business to permit such consumption on his premises.

U. No off-sale retail dealer of either intoxicating liquor or non-intoxicating malt liquor, nor any agent thereof, whether or not licensed by the City of Alexandria, shall make deliveries of intoxicating liquor or non-intoxicating malt liquor outside of the licensed premises to any person or organization within the City of Alexandria. No person shall deliver intoxicating beverages or non-intoxicating malt liquor to another person within the City limits of Alexandria for payment, or as a business. Each violation of this ordinance shall be a misdemeanor.

Source: Ord. 335-2nd Series
Effective Date: 12/28/92

Subd. 7. **Hours and Days of Sale.** The hours of operation and days of intoxicating liquor off-sale shall be those set by Minn. Stat. 340A.504 as it may be amended from time to time, except that on Sundays, the off-sale of intoxicating liquor is permitted by an off-sale licensee between the hours of 11:00 am and 6:00 pm. No delivery of alcohol to an off-sale licensee may be made by a wholesaler or accepted by an off-sale licensee on a Sunday. No order solicitation or merchandising may be made by a wholesaler on a Sunday.

Source: Ord. 765-2nd Series
Effective Date: 06/12/17

Section 3.11. **Municipal Dispensary.**

Subd. 1. **Establishment.** A municipal dispensary is hereby established to be operated within the City for the off-sale of liquor potable as a beverage and containing more than 3.2 percent of alcohol by weight, and for the sale of non-intoxicating alcoholic beverages. Such dispensary shall be at such place or places as the Council shall determine and may be either leased or owned by the City. It shall be in charge of a person known as the Operator who shall have such assistants as may be necessary, all of whom shall be paid such compensation as the Council shall determine. All employees, including the Operator, shall hold their positions at the pleasure of the Council.

Subd. 2. **Dispensary Fund.** A liquor dispensary fund is hereby created into which all revenues received from the operator of the dispensary shall be paid, and from which all operating expenses shall be paid, provided that the initial costs of rent, fixtures and stock may be paid for out of the first moneys coming into the liquor dispensary fund not needed for carrying on the said business. Any surplus accumulating in this fund may, from time to time, be transferred to the general fund by resolution of the Council and expended for any municipal purpose.

Subd. 3. **Minimum Liability Insurance.** Notwithstanding the requirements of Minn. Stat. Section 340A.409 with regard to required minimum liability insurance limits, the City of Alexandria hereby establishes a policy that there shall be established minimum liability insurance limits for the operation of the municipal liquor dispensary policy coverages in the sums of not less than \$300,000 because of bodily injury to any one person in any one occurrence and \$300,000 because of bodily injury to two or more persons in any one occurrence and \$10,000 because of injury or destruction of property of others in any one occurrence.

Section 3.12 **Clubs**.

Subd. 1. **Club License.** No club shall make any sales of liquor without first having obtained a license from the City. The Council may, in its discretion, issue a club license for the on-sale of liquor under and pursuant to the provisions of this Section.

Subd. 2. **Club License Application.** Any club desiring such a license from the City shall file with the City Clerk a verified application including, but not limited to, the following information:

- A. The name of the club;
- B. The date of incorporation;
- C. The building or space in the building wherein the clubrooms are maintained;
- D. Whether said clubrooms are owned or leased and if leased the name of the lessor;
- E. A description of the premises where said intoxicating liquors shall be sold;
- F. The purposes for which said club was organized and now exists;
- G. Whether or not said Club has ever been convicted of any crime and if so, the nature and date thereof;
- H. The names and addresses of the present officers of the club; and
- I. the names and addresses of the executive board or committee which will be in direct charge of liquor operations.

Subd. 3. **Club License Fee.** The annual license fee for a club license shall be set according to Minnesota Statutes 340A.408, Subdivision 2 (b).

Source: Ord. 700-2nd Series
Effective Date: 07/14/14

Subd. 4. **Club Bond and Insurance.** The bond as provided for herein shall be conditioned as follows:

- A. That the licensee shall obey the law relating to such licensed premises;
- B. That the licensee will pay to the City when due all taxes, license fees, penalties and other charges provided

by law;

C. That in the event of any violation of the provisions of any law relating to the retail on-sale of intoxicating liquor, such bond or policy shall be forfeited to the City;

D. That the licensee will pay to the extent of the principal amount of such bond or policy any damages for death or injury caused by or resulting from the violation of any provisions of law relating thereto, and in such cases recovery under this provision may be had from the surety on this bond, or policy as the case may be. The amount specified in such bond or policy is declared to be a penalty, the amount recoverable to be measured by the actual damages, provided, however, that in no case shall such surety be liable for any amount in excess of the penal amount of the bond or policy; and

E. That all such bonds or policies shall be for the benefit of the obligee and all persons suffering damages by reason of the breach of the conditions thereof. In the event of the forfeiture of such bond or policy for violation of law, the District Court of Douglas County may order the forfeit of the penal sum of said bond or policy, or any part thereof, to the City as obligee on such bond or policy.

Section 3.13. **Regulation of Public Display, Mixing and Consumption of Intoxicating Liquor.**

Subd. 1. **Regulation.** It is unlawful to suffer or permit the mixing, display or consumption of intoxicating liquor on public premises without first obtaining a permit from the Minnesota Liquor Control Commission and a license as provided hereinafter.

Source: Ord. 335-2nd Series
Effective Date: 12/28/92

Subd. 2. **License.** The annual license fee for public display, mixing and consumption of intoxicating liquor shall be set by Ordinance of the City Council. License applications shall be made to the City Clerk. Licenses shall be issued on a calendar year basis; if application is made after June 30, then the fee shall be one-half of the annual fee.

Source: Ord. 846-2nd Series
Effective Date: 1/11/2021

Subd. 3. **Inspection.** Licensed premises shall be open at all reasonable hours for inspection by the Minnesota Liquor Control Commission and duly authorized peace officers.

Subd. 4. **Prohibitions.** It is unlawful:

A. For any person to transport any intoxicating liquor to unlicensed public premises for the purpose of consumption therein, or consume any intoxicating liquor in unlicensed public premises.

B. For any person to display or mix any intoxicating liquor with any beer, soft drink or other liquid or beverage on unlicensed public premises.

Subd. 5. **Applicability.** This section shall not apply to any establishment licensed for the sale of intoxicating liquor.

Section 3.14 **Wine Licenses.**

Subd. 1. **Provision of State Law Adopted.** The provisions of Minn. Stat. Chapter 340A, relating to the definition of terms, licensing, consumption, sales, condition of bonds of licenses, hours of sale, and all other matters pertaining to the retail sale, distribution, and consumption of intoxicating liquor insofar as they are applicable to wine licenses authorizing the sale of wine are adopted and made a part of this ordinance as if set out in full.

Source: Ord. 745-2nd Series
Effective Date: 03/28/16

Subd. 2. **Wine Licenses.** No person, except a wholesaler or manufacturer to the extent authorized under state license, and the municipal liquor dispensary, shall directly or indirectly deal in, sell, or keep for sale in the City any wine without an on-sale wine license. An on-sale wine license authorizes the sale of wine for consumption on the licensed premises only. An on-sale wine license may be issued to a theater or to a restaurant having facilities for seating not fewer than 50 guests at one time. A license issued to a theater authorizes the sales on all days of the week to persons attending events at the theater. For purposes of this ordinance, a restaurant means an establishment, under the control of a single proprietor or manager, having appropriate facilities for serving meals, and where, in consideration of payment therefor, 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. The restaurant must be open to the general public for food service a minimum of three (3) days.

Source: Ord. 745-2nd Series
Effective Date: 03/28/16

Subd. 3. **Application for License.**

A. **Form.** Every application for on-sale wine license shall state the name of the applicant, the applicant's age, representation as to applicant's character, with such references as the council may require, applicant's citizenship, the restaurant in connection with which the proposed license will operate and its location, whether the applicant is owner and operator of the restaurant, how long applicant has been in the restaurant business at that place, and such other information as the council may require from time to time. In addition to containing such information, the application shall be in the form prescribed by the liquor control director and shall be verified and filed with the City Clerk. No person shall make a false statement in an application.

B. **Bond.** This section is deleted.

Source: Ord. 691-2nd Series

Effective Date: 12/09/13

C. **Liability Insurance.** Prior to the issuance of a wine license, the applicant shall file with the City Clerk a liability insurance policy in the amount of \$50,000.00 coverage for one person and \$100,000.00 coverage for more than one person and shall comply with the provisions of Minn. Stat. Chapter 340A relating to liability insurance policies. If a liability insurance policy is made subject to all the conditions of a bond under that statute, the policy may be accepted by the council in lieu of the bond required under 2.

D. **Approval of Security.** The security offered under Subd. 3.3 shall be approved by the City Council and the state liquor commission and approved as to form by the City Attorney. Operation of a licensed business without having on file with the City at all time effective security as required in Subd. 3.3 is a cause for revocation of the license.

Subd. 4. **License Fees.**

A. **Amount.** The annual fee for a wine license shall be set by Resolution of the City Council.

B. **Payment.** Each application for a wine license shall be accompanied by a receipt from the City Treasurer for payment in full of the license fee. All fees shall be paid into the general fund. If an application for a license is rejected, the treasurer shall refund the amount paid.

C. **Term: Pro Rata Fee.** Each license shall be issued for a period of one year except that if the application is made during the license year, a license may be issued for the remainder of the year for a pro rata fee, with any unexpired fraction of a month being counted as one month. Every license shall expire on the last day of December.

D. **Refunds.** No refund of any fee shall be made except as authorized by statute.

Subd. 5. **Granting of Licenses.**

A. **Investigation and Issuance.** The City Council shall investigate all facts set out in the application. Opportunity shall be given to any person to be heard for or against the granting of the license. After the investigation and hearing, the Council shall, in its discretion grant or refuse the application. No wine license shall become effective until it, together with the security furnished by the applicant, has been approved by the state liquor control director.

B. **Person and Premises Licensed; Transfer.** Each license shall be issued only to the applicant and for the premises described in the application. No license may be transferred to another person or place without city council approval. Any transfer of stock of a corporate license is deemed a transfer of the license and a transfer of stock without prior council and state liquor control commission approval is a ground for revocation of the license.

Subd. 6. **Persons Ineligible for License.** No wine license shall be granted to any person made ineligible for such a license by state law. No license shall be issued to an individual who is not a resident of Douglas County.

Subd. 7. **Places Ineligible for License.**

A. **General Prohibition.** No wine license shall be issued for any restaurant ineligible for such a license under state law.

B. **Delinquent Taxes and Charges.** No license shall be granted for operations on any premises on which taxes, assessments, or other financial claims of the City are delinquent and unpaid.

Subd. 8. **Conditions of License.**

A. **In General.** Every license is subject to the conditions in the following subdivisions and all other provisions of this ordinance and of any other applicable ordinance, state law or regulation.

B. **Licensee's Responsibility.** Every licensee is responsible for the conduct of licensee's place of business and the conditions of sobriety and order in it. The act of any employee on the licensed premises authorized to sell intoxicating liquor there is deemed the act of the licensee as well, and the licensee shall be liable to all penalties provided by this ordinance and the law equally with the employees.

C. **Inspections.** Every licensee shall allow any peace officer, health officer, or properly designated officer or employee of the city to enter, inspect, and search the premises of the licensee during business hours without a warrant.

D. **Display During Prohibited Hours.** No licensee shall display wine to the public during hours when the sale of wine is prohibited.

E. **Federal Stamps.** No licensee shall possess a federal wholesale liquor dealers special tax stamp or federal gambling stamp.

Subd. 9. **Suspension and Revocation.** The council may either suspend for not to exceed 60 days or revoke any on-sale

wine license upon a finding that the licensee has failed to comply with any applicable statute, regulation or ordinance relating to intoxicating liquor. No suspension or revocation shall take effect until the licensee has been afforded an opportunity for a hearing pursuant to Minn. Stat. Sections 14.57 to 14.70.

Source: Ord. 335-2nd Series
Effective Date: 12/28/92

Subd. 10. **Penalty.** Any person violating any provision of this section is guilty of a misdemeanor.

Source: Ord. 455-2nd Series
Effective Date: 11/27/00

Subd. 11. **When Additional License Not Required.** Any holder of an on-sale wine license, who also holds an on-sale non-intoxicating malt liquor license, and who gross receipts are at least 60% attributable to the sale of food, may sell intoxicating malt liquors at on-sale without an additional license.

Source: Ord. 691-2nd Series
Effective Date: 12/09/13

Section 3.15. **Consumption of Beer, Intoxicating Liquor and Wine.** It shall be unlawful for the holder of a license to sell beer, intoxicating liquor or wine, to permit the consumption of any beer, intoxicating liquor or wine upon the licensed premises later than one half hour after the time when the sale of beer, intoxicating liquor or wine is prohibited.

Section 3.16 **Brewer Taproom Licenses**

Subd. 1. **Definitions.** A brewer taproom license shall mean a license authorizing the on-sale of malt liquor produced by a brewer for consumption on the premises of or adjacent to one(1) brewer location owned by the brewer. Unless otherwise stated, the definitions of Minn. Statutes, Chapter 340A, as the same shall be amended from time to time, shall apply herein.

Subd. 2. **Issuance of license.** Brewer taproom licenses may be issued to the holder of a brewer's license under Minn. Statutes. Chapter 340A.301, Subd. 6(c), (i) or (j). Said license may be issued and is subject to the conditions outlined in the City Code, Section 3.16, Subd. 3.

Subd. 3. **Conditions of License.**

A. The annual license fee for a taproom license, as established in the fee schedule set by ordinance by the City Council, shall be paid.

B. The license shall be valid on all days of the week consistent with the hours of sale provided in Section 3.07, Subdivision 14 of the Alexandria City Code.

C. A brewer may only hold one (1) brewer taproom license under this section.

D. The only alcoholic beverages sold or consumed on the premises of the taproom will be malt liquor produced by the brewer upon the brewery premises.

E. No taproom shall be located across a public right-of-way such as a street or alley from the brewery location.

F. All other provisions of this article shall be applicable to such licenses and licensees unless inconsistent with the provisions of this section.

Source: Ord. 691-2nd Series
Effective Date: 12/09/13

Section 3.17. **Off-Sale Malt Liquor Licenses**

Subd. 1. **Definitions.** A brewer licensed under Minn. Statutes, Chapter 340A.301, Subd. 6(d), (i), or (j) may be licensed for the "off-sale" of malt liquor produced and packaged on the licensed premises in accordance with Minn. Statutes, Chapter 340A and meeting the criteria established by Minn. Stat. 340A.29 as may be amended from time to time. Unless otherwise stated, the definitions of Minn. Statutes, Chapter 340A, as the same shall be amended from time to time, shall apply herein.

Subd. 2. **Conditions of License.**

A. The annual license fee for an off-sale malt liquor license, as established in the fee schedule set by ordinance by the City Council, shall be paid.

B. Off-sale of malt liquor may only be made during the hours that "off-sale" of liquor may be made at the Municipal Liquor Dispensary as described in Section 3.07, Subdivision 17 of the Alexandria City Code, except that malt liquor sold pursuant to this section may be sold at off-sale on Sunday until 10:00 p.m. The amount of malt liquor sold at off-sale under this license may not exceed 128 ounces per customer per day.

C. Malt liquor sold at off-sale under this section shall be packaged in containers sealed in accordance with state law, including Minnesota Rules, parts 7515.1080 to 7515.1120, as the same may be amended from time to time. Without limiting the foregoing, if malt liquor is sold in sixty-four ounce containers commonly known as "growlers" or in bottles, the container or bottle must be sealed in the manner as described in Minn. Statutes, Chapter 340A.285.

D. The malt liquor sold at off-sale, except growlers sold on Sundays, must be removed from the licensed premise before the applicable closing time at the Municipal Liquor Dispensary.

E. All other provisions of this article shall be applicable to such licenses and licensees unless inconsistent with the provisions of this section.

Source: Ord. 868-2nd Series

Effective Date: 06/27/2022

Section 3.18. **Temporary Off-Premise Community Festival Liquor License**

Subd. 1. Pursuant to Minnesota Statutes §340A.404, Subd. 4(b), as the same may be amended from time to time, the City may grant to a holder of an on-sale intoxicating liquor licenses issued by the City a Temporary Off-Premise Community Festival Liquor License which shall authorize the licensee to dispense intoxicating liquor at a community festival held within the City.

Subd. 2. No Temporary Off-Premise Community Festival Liquor License will be granted unless and until the applicant:

A. Specifies and the City Council approves the area in which the intoxicating liquor will be dispensed and the dates and times of dispensing;

B. Demonstrates that is has insurance, included the insurance required by Minnesota Statute §340A.409, to cover the event;

C. Demonstrates how it will satisfy any and all safety, security, sanitation and other conditions the City Council may impose; and

D. Pays any license fee imposed by the City Council.

Subd. 3. The holder of a Temporary Off-Premise Community Festival Liquor License shall not dispense or allow the consumption of intoxicating liquor outside the area and time approved by the City Council.

Subd. 4. The license fee for Temporary Off-Premise Community Festival Liquor License shall be \$100.00.

Subd. 5. To obtain a Temporary Off-Premise Community Festival Liquor License, a holder of an on-sale intoxicating liquor license issued by the City must submit to the City Administrator or his/her designee a verified application containing the name of the licensee and the information specified in Subd. 2 of this Section, and said application will be considered by the City Council.

Source: Ord. 704-2nd Series
Effective Date: 08/25/14

Section 3.19. **Junior Hockey League On-Sale License.**

Subd. 1. The City of Alexandria may issue an on-sale wine license and an on-sale malt liquor license to the owner of a junior league hockey team or a person holding a concessions or management contract with the city or the team owner for wine or malt liquor beverage sales at the community center currently known as the Runestone Community Center. For the purposes of this ordinance, a "junior league hockey" shall mean competitive ice hockey for players from 16-21 years of age, and it specifically excludes competitive ice hockey sanctioned by the Minnesota State High School League.

Subd. 2. A junior hockey league on-sale license issued under this section authorizes the dispensing of wine or malt liquor only to persons at least 21 years of age attending junior league hockey games at the community center and for consumption on the premises only during said games. For these purposes, the "premises" shall mean only those portions of the interior of the community center set forth in the applicant's plans as approved by the City Council. "Games" shall mean only those games listed on the applicant's schedule submitted with its application and approved by the City Council.

Subd. 3. Applicants for an on-sale junior league hockey on-sale license shall be subject to any and all other applicable state laws and ordinances, including by not limited to Minn. Stat. Chapter 340A and City Code §§ 3.01; 3.02; and 3.07, Subds. 1, 2, 3.1, 5.1.a.-5.1.g., 5.1.j.-5.1.k., 5.1.n, 5.1.p.-5.1.r., 5.3-5.4, 6, 8, 9, 11.1-11.3, 11.6-11.12, 11.15, and 15.

Subd. 4. The application for an on-sale junior league hockey license under this section shall be accompanied by the applicant's plans showing the locations within the community center where wine or malt liquor will be dispensed, the security and storage measures the applicant will take to ensure compliance with this ordinance and state law, the schedule of games during which wine or malt liquor will be dispensed, the applicant's sanctioning body and league, and any other information requested by the City Council.

Subd. 5. No wine or malt liquor may be dispensed under a junior league hockey on-sale license after the puck drops to start the third period of any hockey game covered by a license issued under this section.

Subd. 6. When not in use, any wine, malt liquor, and related products must be securely stored in a locked area designated by the community center's manager or other person

designated by the City Council.

Subd. 7. License Fees.

A. The license fee for junior league hockey on-sale license shall be \$375.00 for a wine license and \$375.00 for a malt liquor license.

B. Each application for a junior hockey league on-sale license shall be accompanied by a receipt from the City Treasurer for payment in full of the license fee and the fixed investigation fee required under § 3.07, Subd. 8.1, if any. All fees shall be paid into the General Fund. If an application for a license is rejected, the Treasurer shall refund the amount paid as a license fee.

C. Term. Each junior league hockey on-sale license shall be issued for the period specified in the application only.

D. No transfer of a junior league hockey on-sale license shall be permitted from person to person without complying without City Council approval and the transferee's compliance with the requirements of any original license.

Source: Ord. 869-2nd Series

Effective Date: 08/11/2022

Section 3.20. **Tetrahydrocannabinol Product Sales**

Subd. 1. **Purpose and Intent.** By enacting Laws 2022, Chapter 98, Article 13 the Minnesota Legislature amended Minnesota Statutes, Section 151.72 and legalized the sale and adult use of certain products containing tetrahydrocannabinol ("THC"). The purpose of this Section is to regulate the sale of products that contain THC and are intended for human or animal consumption, excluding "medical cannabis" as defined by Minn. Stat. § 152.22, Subd. 6, as the same may be amended from time to time, ("THC Product" or "licensed product") for the following reasons:

A. The City recognizes that, based on the most reliable and up-to-date scientific evidence, the rapid introduction of newly legalized adult-use THC products presents a significant potential threat to the public health, safety, and welfare of the residents of Alexandria, and particularly to youth.

B. The City has the opportunity to be proactive and make decisions that will mitigate this threat and reduce exposure of young people to the products or to the marketing of these products and improve compliance among THC product retailers with laws prohibiting the sale or marketing of THC products to minors.

C. A local regulatory system for THC product retailers is appropriate to ensure that retailers comply with THC product laws and business standards of the City of Alexandria to protect the health, safety, and welfare of our youth and most vulnerable residents.

D. State law requires THC product retailers to check the identification of purchasers to verify that they are at least 21 years of age, comply with certain packaging and labeling requirements to protect children and youth, and meet certain potency and serving size requirements.

Source: Ord. 875-2nd Series
Effective Date: 01/01/2023

E. State law authorizes the Minnesota Department of Health to adopt product and testing standards in part to curb the illegal sale and distribution of THC products and ensure the safety and compliance of commercially available THC products in the state of Minnesota.

Source: Ord. 893-2nd Series
Effective Date: 10/09/2023

F. State law does not preempt the authority of a local jurisdiction to adopt and enforce local ordinances to regulate THC product businesses including, but not limited to, local zoning and land use requirements and business license requirements.

G. A requirement for a THC product retailer license will not unduly burden legitimate business activities of retailers who sell or distribute THC products to adults but will allow the City of Alexandria to regulate the operation of lawful businesses to discourage violations of state and local THC Product-related laws.

H. In making these findings and enacting this ordinance, the Alexandria City Council intends to ensure responsible THC product retailing, allow legal sale and access without promoting increases in use, and discourage violations of THC Product-related laws, especially those which prohibit or discourage the marketing, sale, distribution, possession, and use of THC products to or by youth under 21 years of age.

Subd. 2. **Definitions.** Except as may otherwise be provided or clearly implied by context, all terms shall be given their commonly accepted definitions. The following words, terms, and phrases, when used in this Section, shall have the meanings ascribed to them in this Subdivision:

A. **Applicant:** The natural person or business entity applying for a license under this section, and in the case of an applicant that is not a natural person, any owner of the applicant.

B. **Assistance or intervention:** The actual physical exchange of the licensed product between the customer and the licensee or employee.

C. **Compliance Checks:** The system the City uses to investigate and ensure that those authorized to sell licensed products are following and complying with the requirements of this section. Compliance checks may also be conducted by the City or other units of government for educational, research, and training purposes, or for investigating or enforcing Federal, State, or local laws and regulations relating to licensed products.

D. Exclusive Liquor Store: An establishment that meets the definition of exclusive liquor store in Minnesota Statutes, section 340A.101, subdivision 10.

E. Fixed Place of Business: Any form of business operated from a fixed address storefront or other permanent type of structure that is not a Moveable Place of Business.

F. License: A license issued under this section.

G. Licensed Product or THC Product: Any product that contains more than trace amounts of tetrahydrocannabinol and that meets the requirements to be sold for human or animal consumption under Minnesota Statutes, section 151.72, as the same may be amended from time to time. Licensed Product and THC Product does not include Medical Cannabis.

H. Medical Cannabis: Medical cannabis shall have the meaning provided in Minn. Stat. § 152.22, Subd. 6, as the same may be amended from time to time.

I. Moveable Place of Business: Any form of business operated out of a kiosk, truck, van, automobile, trailer, or other type of vehicle or transportable shelter and is not a fixed address storefront or other permanent type of structure authorized for sales transactions.

J. Retail Establishment: Any place of business where licensed products are available for sale to the general public.

K. Restaurant: The term "restaurant" shall have the meaning given in Minn. Stat. § 157.15, Subd. 12, as the same may be amended from time to time.

L. Sale: Any transfer of goods for money, trade, barter, or other consideration.

M. School: Any public or private elementary, vocational, or secondary school, or a public or private college or university, or a state licensed day care center.

N. Self-Service Merchandising: Open displays

of licensed products in any manner where any person has access to the licensed products without the assistance or intervention of the licensee or the licensee's employee.

O. Vending Machine: Any mechanical, electric, electronic, or other type of device that dispenses licensed products upon the use of cash, coins, tokens, credit or debit card, personal identification number, or any form of direct or indirect payment, by the person seeking to purchase the licensed product.

Subd. 3. **License.**

A. License Required. No natural person, corporation, partnership, limited liability company, or business entity of any type shall sell, donate, give away, or otherwise transfer any THC product, or offer to do so, without first having obtained a license to do so from the City.

B. Application. An application for a license to sell THC products shall be made on a form provided by the City and approved by the City Council. The application shall contain:

1. Verification. Every application for a license shall be verified and filed with the City Administrator or the City Administrator's designee.

2. Form of Applicant. The application shall show whether the applicant is a natural person, corporation, partnership, limited liability company, or other form of organization.

a. Natural Person. If the applicant is a natural person, the following information shall be required:

1) Full legal name, place and date of birth and street address of applicant.

2) Whether the applicant has ever used or been known by a name other than his or her true legal name and, if so, what was such name or names, and information concerning dates and places where used.

3) The name of the business if it is to be conducted under a designation, name, or style other than the full individual name of the applicant.

4) Street addresses at which applicant lived during the preceding five (5) years.

5) Kind, name and location of every business or occupation applicant has been engaged in during the preceding five (5) years.

6) Names and addresses of applicant's employers and business partners, if any, for the preceding five (5) years.

7) Whether the applicant has ever been convicted of any felony, crime, or violation of any ordinance, other than traffic offenses, except that alcohol related driving offenses shall be reported. If so, the applicant shall furnish information as to the time, place and offense for which convictions were had.

8) Whether applicant has ever been engaged as an employer or in operating a business of a similar nature. If so, applicant shall furnish information as to the time, place, and length of time of such operation.

9) Whether applicant has ever been in the military service. If so, applicant shall upon request exhibit all discharges.

10) The name of the operating officer, manager or proprietor or other agent in charge of the premises to be licensed.

11) Certification that the applicant has liability insurance covering the applicant's sale of THC products.

b) Partnership or Limited Liability Partnership. If the applicant is a partnership or limited liability partnership, the names and addresses of all partners and all information concerning each partner as is required of a single applicant in subdivision 3.2.B.1 above. A managing partner, or partners, shall be designated. The interest of each partner in the business shall be disclosed. A true copy of the applicant's partnership agreement, if any, shall be submitted with the application. If and in the event the composition of the partnership shall change at any time subsequent to the initial application, any amended partnership agreements must be filed with the City.

c) Corporation, Limited Liability Company, or other Business Entity. If the applicant is a corporation, limited liability company, or any other business entity, the following information shall be required:

i. Company name and state of incorporation or organization.

ii. A true copy of Certificate of Incorporation or Organization, Articles of Incorporation or Organization, and, if a foreign corporation, any certificate of authority to conduct business in the state of Minnesota as may be required by state law.

iii. The name of the operating officer, manager, proprietor, or other agent in charge of the premises to be licensed, giving all the information about said person as is required of a single applicant in subdivision 3.2.B.1 above.

iv. A list of all persons who, whether individually or with another, own or control any interest in said corporation or association together with their addresses and all information as is required of a single applicant in subdivision 3.2.B.1 above.

v. The name of the business if it is to be conducted under a designation, name, or style other than the full legal name of the applicant.

3. Legal Description and Street Address. The street address and exact legal description of the premises to be licensed, together with a plan, sketch, or drawing of the area showing dimensions, location of buildings, street access, parking facilities and the locations of and distances to the nearest place of worship and school building.

4. Floorplan. A diagram or sketch depicting the licensed premises and the area within the licensed premises where the licensed product will be sold.

5. Age 21 and Older Retailer. Certification as to whether access to the licensed premises will be limited to persons age 21 or older.

6. Disclosure of Ownership Interests. At the time of application, each applicant that is not a natural

person shall furnish the City with a list of all persons that have an interest of five percent or more in the business. The list shall name all owners and show the interest held by each, either individually or beneficially for others. It is the duty of each business licensee to notify the City Clerk in writing of any change in ownership in the business. Any change in the ownership or control of the business shall be deemed equivalent to a transfer of the license, and any such license shall be revoked 30 days after any such change in ownership or control unless the licensee has notified the Council of the change in ownership by submitting a new license application for the new owners, and the Council has approved the transfer of the license by appropriate action. Any time an additional investigation is required because of a change in ownership or control of a business, the licensee shall pay an additional investigation fee to be determined by the City. The City may at any reasonable time examine the transfer records and minute books of any business licensee to verify and identify the owners, and the City may examine the business records of any other licensee to the extent necessary to disclose the interest which persons other than the licensee have in the licensed business. The Council may revoke any license issued upon its determination that a change of ownership of a licensee has actually resulted in the change of control of the licensed business so as materially to affect the integrity and character of its management and its operation, but no such action shall be taken until after a hearing by the Council on notice to the licensee.

7. Additional Information. Any additional information the City deems necessary.

C. Incomplete Application. If the City Administrator or the Administrator's designee determines that an application is incomplete, they shall return the application to the applicant with notice of the information needed to make the application complete.

D. Investigation.

1. On an initial application for a license and on application for transfer of an existing license, the applicant shall pay with the application an investigation fee of \$500.00. The City shall request that its Chief of Police conduct a preliminary background and financial investigation of the applicant. The application in such case shall be made on a form prescribed by the State Bureau of Criminal Apprehension and with such additional information as the Council may require. If the Council deems it in the public interest to have an investigation made on a particular application for renewal of a license, it

shall so determine. If the Council determines that a comprehensive background and financial investigation of the applicant is necessary, it may conduct the investigation itself or contract with the Bureau of Criminal Apprehension for the investigation. If an investigation outside the state is required, the applicant shall be charged the cost not to exceed \$10,000, which shall be paid by the applicant after deducting any initial investigation fee already paid. The fee shall be payable by the applicant whether or not the license is granted. Upon completion of the investigation, the Chief of Police shall make a written report and recommendation to the City Council of his or her findings, including a specific report on any violations of federal or state law or municipal regulations.

2. As an alternative to the investigation process set forth in Subdivision 3.4.A, an applicant may pay an investigation fee of \$100.00 and submit the results of a comparable background investigation completed by an agency of the State of Minnesota within the twelve (12) months prior to the application. To do so, the applicant must authorize the City to obtain any and all related information from said agency so that the Council may review it to determine if any additional investigation is necessary. If the Council determines that the agency's investigation is insufficient for these licensing purposes, the Council may then require the investigation described in Subdivision 3.4.A.

E. Public Hearing. For initial and renewal applications, upon receipt of the written report and recommendation by the Police Chief of the City of Alexandria, and within twenty-one (21) days thereafter, the City Clerk shall cause to be scheduled a public hearing, with notice thereof to be published in the official newspaper ten (10) days in advance of the scheduled hearing, setting forth the day, time and place when the hearing will be held, the name of the applicant, the premises where the business is to be conducted, the nature of the business, and such other information as the Council may direct. At the hearing, opportunity shall be given to any person to be heard for or against the granting of the license. After such investigation and hearing, the council shall grant or refuse the application in its discretion.

F. Action. The City Council may either approve or deny the application for a license, or it may delay action for a reasonable period of time as necessary to complete any investigation of the application or the applicant it deems necessary. A four-fifths vote of the City Council shall be required for the granting of any license. If the City Council approves the license, the City Clerk shall issue the license to

the applicant. If the City Council denies the license, notice of the denial shall be given to the applicant along with notice of the applicant's right to appeal the City Council's decision pursuant to Subdivision 6 of this section. If a license application is denied, the earliest an applicant may reapply is 12 months from the date the license is denied.

G. Term. All licenses issued under this section shall be valid from January 1 until December 31. License fees shall be prorated on a monthly basis for the portion of any year remaining on an initial application and with any portion of a licensed month counting as a full month.

H. Revocation or Suspension. Any license issued under this article may be revoked or suspended whenever the City Council deems there is cause to do so. Cause exists whenever a licensee violates any provision of this section or no longer meets the license eligibility requirements of this section.

I. Transfers. All licenses issued under this section shall be valid only on the premises for which the license was issued and only for the person or business to whom the license was issued. The transfer of any license to another location, business, or person is prohibited, except as provided herein for successors of licensees.

J. Display. The licensee shall post and display on the licensed premises and in plain public view any license issued hereunder.

K. Renewals. The renewal of a license issued under this section shall be handled in the same manner as the original application, provided, however that the City Council may waive the requirement of a background and financial check on an application for a renewal of a license if the City Council deems it is in the public interest to do so. The request for a renewal shall be made at least 30 days but no more than 60 days before the expiration of the current license.

L. Issuance as Privilege and Not a Right. The issuance of a license issued under this section is a privilege and does not entitle the applicant to a license, nor does it entitle a license holder to automatic renewal of the license.

Subd. 4. **Fees.**

A. Fee Required. No license shall be issued

under this section until the appropriate license fee shall be paid in full.

B. Fee. The fee for a license under this section shall be as established by the City Council in the City's fee schedule.

C. Payment. Each application for a license shall be accompanied by a receipt from the City Treasurer for payment in full of the license fee and the fixed investigation fee. All fees shall be paid into the General Fund. If an application for a license is rejected, the Treasurer shall refund the amount paid as a license fee.

Subd. 5. Ineligibility and Basis for Denial of License.

A. Ineligibility.

1. Moveable Place of Business. No license under this section shall be issued to a moveable place of business. Only fixed location businesses shall be eligible to be licensed under this section.

Source: Ord. 875-2nd Series
Effective Date: 01/01/2023

2. Financial Delinquencies. No license shall be granted or renewed for operation on any premises on which real estate taxes, assessments, or other financial claims of the City or of the State are due, delinquent, or unpaid. If an action has been commenced pursuant to the provisions of Minnesota Statutes Chapter 278, as the same may be amended, questioning the amount or validity of taxes, the Council may, on application by the licensee, waive strict compliance with this provision; no waiver may be granted, however, for taxes, or any portion thereof, which remain unpaid for a period exceeding one year after becoming due unless such one-year period is extended through no fault of the licensee.

3. Restaurants. No license shall be issued to any restaurant without an on-sale liquor license.

4. Zoning Ordinance Applies. No license shall be issued for a location not zoned for the sales proposed by the applicant.

Source: Ord. 893-2nd Series
Effective Date: 10/09/2023

B. Grounds for Denial. Grounds for denying the issuance or renewal of a license under this section include, but are not limited to, the following:

1. The applicant, or any owner of an applicant that is not a natural person, is under the age of 21 years.

2. The applicant is prohibited by Federal, State, or other local law, ordinance, or other rule or regulation from holding a license.

3. The applicant has been convicted within the past five years for any:

a. violation of a Federal, State, or local law relating to the licensed products or any controlled substance law; or

b. misdemeanor or felony, including alcohol-related driving offenses but excluding other traffic offenses.

4. The applicant has had a license to sell licensed products suspended or revoked during the 12 months preceding the date of application, or the applicant has or had an interest in another premises authorized to sell licensed products, whether in the City or in another jurisdiction, that has had a license to sell licensed products suspended or revoked during the same time period, provided the applicant had an interest in the premises at the time of the revocation or suspension, or at the time of the violation that led to the revocation or suspension.

5. The applicant has had any license issued by the City or any other jurisdiction suspended or revoked during the 12 months preceding the date of application, or the applicant has or had an interest in another premises, whether in the City or in another jurisdiction, that has had a license suspended or revoked during the same time period, provided the applicant had an interest in the premises at the time of the revocation or suspension, or at the time of the violation that led to the revocation or suspension.

6. The applicant is a business that does not have an operating officer manager, proprietor, or other agent who is eligible pursuant to the provisions of this section.

7. The applicant is the spouse of a person ineligible for a license pursuant to this section or who, in the judgement of the City Council, is not the real party in interest or beneficial owner of the business to be operated, under the license.

8. The applicant fails to provide any information required on the application or provides false or misleading information. Any false or misleading statement on an application, or any willful omission of any information called for on such application form, shall cause an automatic refusal of license, or if already issued, shall render any license issued pursuant thereto void and of no effect to protect the applicant from prosecution or license denial, revocation, or suspension for violation of this section, or any part thereof.

9. The proposed licensed premises is located within 300 feet of any school or addiction recovery center. The distances herein referred to shall be measured in a straight line from the nearest property boundary of the licensed premises to the nearest property boundary of the school or addiction recovery center.

10. A license issued under this section shall be for a single fixed location only.

C. Background Check. Upon receipt of an application for a license under this section, the City shall conduct a background investigation on all new applications and applications to transfer a license. If a license is mistakenly issued or renewed to a person, it shall be revoked upon the discovery of the mistake, and the City shall provide the licensee with a notice of revocation, along with information on the right to appeal.

Subd. 6. **Procedure upon Denial, Suspension, Non-Renewal, or Revocation of License.** A determination by the City to deny, suspend, revoke, or not renew any license under this section may be appealed to the City Council of Alexandria by filing with the City Administrator a written Notice of Appeal within fifteen (15) days of the date on which notice of the City's denial, suspension, or revocation is mailed to the licensee. In that event, the appeal will be heard by the Council

at its next meeting occurring at least fifteen (15) days but not more than 45 days after the filing of the Notice of Appeal. At any appeal of a determination by the City under this Ordinance, the licensee or applicant, or an attorney representing said party, may appear and make a presentation to the City Council. The licensee or applicant shall present to the City Council the basis for the determination being appealed, and the City Council may receive and consider any evidence it deems relevant to the issue. After the hearing, the Council may uphold, reverse, or modify the prior decision based upon the provisions of this Ordinance and upon the protection of the public health, safety, or general welfare. The City Council shall issue written findings and determination within thirty-one (31) days of the hearing, unless the Council extends that time for good cause. A decision of the City Council made following an appeal as set forth herein may be appealed by Writ of Certiorari to the Court of Appeals of the State of Minnesota pursuant to its Rules of Civil Appellate Procedure and Minnesota Statutes.

Subd. 7. **Prohibited Acts.**

A. In general. No person shall sell, donate, give away, or otherwise dispense or distribute any licensed product, or offer to do so:

1. By means of any type of vending machine.
2. By means of self-service merchandising, provided, however that self-service merchandising is permitted in a licensed establishment where entry to the premises is restricted to persons of age 21 or older.
3. By any other means, to any other person, on in any other manner or form prohibited by state or other local law, ordinance provision, or other regulation.
4. That is not packaged in strict compliance with state laws, rule, and regulations.
5. From any location other than a fixed place of business that is a licensed premises. Delivery of licensed products from a licensee to a purchaser who is located off the licensed premises is strictly prohibited.
6. By any form of internet/online transaction.

7. By acceptance or redemption of any coupon, price promotion, or other instrument or mechanism, whether in paper, digital, electronic, mobile, or any other form, that provides any THC products to a consumer at no cost or at a price that is less than the non-discounted, standard price listed by a retailer on the item or on any related shelving, posting, advertising, or display at the location where the item is sold or offered for sale, including all applicable taxes.

B. Controlled Substances. No person shall sell, offer to sell, or otherwise provide any licensed products containing opium, morphine, jimson weed, bella donna, strychnos, cocaine, marijuana, or other deleterious, hallucinogenic, toxic, or controlled substances not authorized by state or federal law.

C. Legal Age.

1. Age to Sell. No person under the age of 18 shall sell any licensed product to any person.

2. Age to Purchase. No person, regardless of license status, shall sell any licensed product to any person under the age of 21.

3. Age verification. Licensees, including their employees and representatives, shall verify by means of government issued photographic identification that the purchaser is at least 21 years of age.

4. Signage. All licensees shall post and display in plain view of the general public on the licensed premise, a sign supplied by the City of Alexandria, which shall state that it is illegal to sell licensed products to anyone under the age of 21 years and that the possession and use of such items by anyone under the age of 21 is also illegal under state, federal, and/or local law. Said signs shall be issued to the licensee along with their license.

D. Samples Prohibited. No person shall distribute samples of any licensed product free of charge or at a nominal cost. Sampling is prohibited on any licensed premises.

E. Other Prohibitions. No person shall sell, offer to sell, or otherwise provide, dispense, or distribute any licensed products by any means, to any other person, or in any other manner or form prohibited by Federal, State, or other local law, ordinance provision, or other regulation. Possession on the premises by the licensee of any licensed product in a

package indicating that the contents do not comply with the requirements of state laws, rules, or regulations shall be prima facie evidence that the contents of the package violate this ordinance. It shall be the licensee's burden to prove, by a preponderance of the evidence that the contents do comply.

F. Sales to Obviously Intoxicated or Impaired Persons. No person shall sell, give, furnish, dispense, distribute, or in any way procure for another person any licensed products for use by an obviously intoxicated person or a person who is obviously impaired by or under the influence of licensed products or any controlled or intoxicating substance.

Source: Ord. 875-2nd Series
Effective Date: 01/01/2023

G. On-Site Consumption Prohibited. No licensed product may be sold, given, distributed, dispensed, or otherwise furnished for consumption or use on any premises that holds a license issued under this section except for restaurants with an on-sale liquor license.

Source: Ord. 893-2nd Series
Effective Date: 10/09/2023

Subd. 8. **Other Illegal Acts.** Unless otherwise provided, the following acts shall be a violation of this Ordinance:

A. Illegal Possession. It shall be a violation of this ordinance for any person under the age of 21 to have any THC product in his or her possession. This subdivision shall not apply to persons under the age of 21 who are lawfully involved in a compliance check or to employees of a licensee who are at least 18 years of age and are acting in the course and scope of their employment for a licensee.

B. Illegal Use. It shall be a violation of this ordinance for any person under the age of 21 to consume or otherwise use any licensed product.

C. Illegal Procurement. It shall be a violation of this ordinance for any person under 21 years of age to purchase or attempt to purchase or otherwise obtain any licensed product, and it shall be a violation of this ordinance for any person to purchase or otherwise obtain such items on behalf of a person under 21 years of age. It shall further be a violation for any person to coerce or attempt to coerce a person

under 21 years of age to illegally purchase or otherwise obtain or use any licensed product. This subpart shall not apply to persons under 21 years of age who are lawfully involved in a compliance check.

D. Use of False Identification. It shall be a violation of this ordinance for any person under 21 years of age to attempt to disguise his or her true age by the use of any form of false identification, including but not limited to an identification card of another real or fictional person and one on which the age of the person has been modified or tampered with to represent an age older than the actual age of the person.

E. Tampering with Package. No licensee shall directly or through any other person alter or tamper with the contents of any original package so as to change its composition or THC content while in the original package. Possession on the premises by the licensee of any licensed product in a package differing in composition or THC content in the product when received from the manufacturer or wholesaler from whom it was purchased, shall be prima facie evidence that the contents of the original package has been changed or tampered with. It shall be the licensee's burden to prove, by the preponderance of the evidence that the contents have not been tampered with.

F. Restrictions on Consumption and Use. No person shall consume or possess licensed products on a public street, highway, sidewalk, park, public or private school property, or in any public facility, on any form of public transportation or transit, at any other public place, or at any location where medical cannabis possession and use are prohibited by Minn. Stat. § 152.23, as the same may be amended from time to time. Provided, however, that nothing herein shall prohibit any person from possessing a licensed product while using a public street, highway, or sidewalk to travel directly from the point of a lawful purchase to a place of lawful use.

G. Taxicabs. No person shall consume licensed products while riding in any taxicab licensed by the City. No person who is licensed by the City to operate a taxicab shall operate a taxicab while possessing, using, or being under the influence of any licensed product.

H. Other City-Issued Licenses. No person shall possess, use, distribute, or be under the influence of any licensed product while performing any task for which any license has been issued by the City. A violation of this subpart shall

be grounds for suspension, revocation, or non-renewal of any such license.

Source: Ord. 875-2nd Series
Effective Date: 01/01/2023

Subd. 9. **Storage.** Unless the licensee restricts access to the entire licensed premises to persons age 21 or older, all licensed products, other than products intended to be consumed as a beverage, shall either be stored behind a counter or other area not freely accessible to customers, or in a case or other storage unit not left open and accessible to the general public.

Source: Ord. 893-2nd Series
Effective Date: 10/09/2023

Subd. 10. **Responsibility.** All licensees are responsible for the actions of their employees, agents, and other representatives in regard to the sale, offer to sell, and furnishing of licensed products on the licensed premises. The sale, offer to sell, or furnishing of any licensed product by an employee or other representative of a licensee shall be considered an act of both the employee or representative and the licensee. Nothing in this section shall be construed as prohibiting the City from also subjecting a licensee's employee, agent, or other representative to any civil penalties or criminal prosecution that the City deems to be appropriate under this ordinance, state or federal law, or other applicable law or regulation.

Subd. 11. **Compliance Checks and Inspections.**

A. All premises licensed under this subdivision shall be open to inspection by the City during regular business hours. The City shall conduct compliance checks at its discretion.

B. No person used in compliance checks shall attempt to use a false identification misrepresenting their age. All persons lawfully engaged in a compliance check shall answer all questions about their age asked by the licensee or their employee, and produce any identification, if any exists, for which they are asked. Persons used for the purpose of compliance checks shall be supervised by law enforcement or other designated personnel. Nothing in this section shall prohibit compliance checks authorized by state or federal laws for educational, research, or training purposes, or required for the

enforcement of a particular State or Federal law.

C. Additionally, from time to time, the City will conduct inspections to determine compliance with any or all other aspects of this ordinance.

Subd. 12. **Violations and Penalty.**

A. Administrative Civil Penalties - Individuals. If a person who is not a licensee is found to have violated this section, the person shall be charged an administrative penalty as follows:

1. First Violation. The City shall impose a civil fine not to exceed \$ 100.00.

2. Second Violation Within 12 months. The Council shall impose a civil fine not to exceed \$ 200.00.

3. Third Violation Within 12 months. The Council shall impose a civil fine not to exceed \$ 300.00.

B. Administrative Civil Penalties - Licensee. If a licensee or an employee or representative of a licensee is found to have violated this section, the licensee shall be charged an administrative penalty as follows:

1. First Violation. The City shall impose a civil fine of \$500.00 and suspend the license for not less than 2 consecutive business days.

2. Second Violation Within 36 Months. The Council shall impose a civil fine of \$1,000.00 and suspend the license for not less than 5 consecutive business days.

3. Third Violation Within 36 Months. The Council shall impose a civil fine of \$2,000.00 and suspend the license for not less than 10 consecutive days.

4. Fourth Violation Within 36 Months. The Council shall revoke the license for not less than one year.

C. Administrative Penalty Procedures. Notwithstanding anything to the contrary in this section:

1. If one of the foregoing penalties is imposed by the City, no penalty shall take effect until the licensee or person has been served with notice (served

personally or by mail delivered to the business address of the licensee) of the alleged violation and of the opportunity for a hearing before the Council pursuant to Subdivision 6 of this section, and such notice must be in writing and must provide that a right to a hearing before the Council must be requested within 15 business days of mailing or personal service of the notice or such hearing right shall terminate.

D. **Misdemeanor Prosecution.** Nothing in this section shall prohibit the City from seeking prosecution as a misdemeanor for any alleged violation of this section.

E. **Continuing Violations.** Each day that a violation of this section continues shall be considered a separate offense.

Subd. 13. **Medical Cannabis Manufacture, Dispensing, and Use.** Nothing herein shall be construed to prohibit, prevent, impede, or otherwise change any person's right to lawfully manufacture, obtain, dispense, distribute, possess, prescribe, or use medical cannabis in compliance with state law. Provided, however, that nothing herein shall be construed to grant or expand those rights.

Subd. 14. **Severability.** If any part of this ordinance is held invalid, such invalidity will not affect other sections or provisions that can be given force and effect without the invalidated section or provision.

Subd. 15. **Provisions of State Law Adopted.** The provisions of Minn. Stat. § 151.72, relating to licensed products are adopted and made a part of this ordinance as if set out in full.

Subd. 16. **Effective Date.** This ordinance becomes effective upon its final passage and publication or January 1, 2023, whichever is later.

Source: Ord. 875-2nd Series
Effective Date: 01/01/2023

Section 3.21. **Private Off-Sale Liquor Licenses**

Subd. 1. **Statement of Purpose.** Because the City of Alexandria owns and operates a municipal liquor dispensary, state law generally prohibits the City from issuing to private persons or entities off-sale licenses for the sale of intoxicating liquor. However, as described herein, validly issued off-sale licenses may be allowed to continue following the consolidation or annexation of territory to the City, including any such licenses in effect as of the effective date of this ordinance. Therefore, this ordinance sets forth the circumstances under which such private off-sale licenses may be continued and renewed by the City, considering the interests of the municipal liquor dispensary and the overall benefit to the community of Alexandria.

Subd. 2. **Annexation Exception.** Pursuant to Minn. Stat. § 340A.413, Subd. 6, as it may be amended, an off-sale license for the sale of intoxicating liquor that was validly issued by another licensing authority is not rendered invalid or illegal by reason of the consolidation or annexation of territory to the City, and the City may opt to allow it to continue to remain in effect and be renewed, except that the limitations as to ownership under Minn. Stat. § 340A.412, Subd. 2, as it may be amended.

Subd. 3. **Conditions of License.** Any private off-sale license that continues by virtue of consolidation or annexation shall be subject to the following conditions.

A. Only an "exclusive liquor store" as defined by Minn. Stat. § 340A. 101, Subd. 10, as the same may be amended, may apply for a license under this Section.

B. The license fee for an off-sale intoxicating liquor license shall be the maximum amount permitted by Minn. Stat. § 340A.408, Subd. 3, as it may be amended.

C. The process for obtaining a license hereunder shall be as set forth in Section 3.02, Subds. 1-4. Without limiting the foregoing, a license or license renewal application shall include a drawing, sketch, diagram, or other scale depiction of the licensee's premises, which premises shall not be expanded. No license shall be effective beyond the space described in the license for which it was granted.

D. No off-sale license may be transferred to another person or entity without City Council approval and without a new application having been filed. Any change in ownership of any stock of a corporate licensee, of any membership units of a limited liability company licensee, or of any ownership composition of a partnership licensee is deemed a transfer of the license if the change in ownership results in a change in control of the licensee. For these purposes, "Change in Control" shall mean either: (a) any person (or persons acting together) not "related" to the licensee acquires, directly or indirectly, beneficial ownership of more than 50% of the combined voting power of the equity of the licensee; or (b) the consummation of a complete liquidation or dissolution of the Licensee or the sale or other disposition to a person (or persons acting together) not related to the Licensee of all or substantially all of the assets of the Licensee; or (c) consummation of a reorganization, merger, consolidation, or similar transaction of the Licensee in which less than 50% of the equity in the surviving entity is held by shareholders of the Licensee immediately prior to the transaction. Any such change in ownership without prior Council approval is a ground for revocation of the license. Upon the Council's approval of the transfer, the transferee shall pay the duplicate license fee set forth in the City's fee schedule.

E. An applicant under this Section must establish proof of financial responsibility by any of the methods set forth in Minn. Stat. § 340A.409, as it may be amended. Any off-sale licensee shall immediately notify the City if any required insurance has lapsed, been canceled, suspended, or in any way is not in effect.

F. Every licensee shall allow any peace officer, health officer or properly designated officer or employee of the City to enter, inspect and search the premises of the licensee during business hours without a warrant. Provided, however, that any such inspection or search must be limited to evaluating the Licensee's compliance with this ordinance.

G. The provisions of Minn. Stat. Chapter 340A, as amended, relating to the off-sale of intoxicating liquor are adopted and made a part of this ordinance as if set out in full. The license shall be posted in conspicuous place in the licensed establishment at all times.

H. Every licensee is responsible for the conduct of the licensee's place of business and the conditions of sobriety and order in it. The act of any employee on the licensed premises authorized to sell intoxicating liquor is deemed the act of the licensee as well, and the licensee shall be liable to all penalties provided by this ordinance and the law equally with the employee.

I. No license shall be granted for operation on any premises on which taxes, assessments or other financial claims of the City are delinquent and unpaid.

J. No license shall be granted for any premises located within 300 feet of any place of worship or school. The distances herein referred to shall be measured in a straight line from the nearest property boundary of the licensed premises to the nearest point of the place of worship or school building.

K. No license may be issued to:

1. a person under 21 years of age;
2. a person who has had an intoxicating liquor or 3.2 percent malt liquor license revoked within five years 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 licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a licensee, partnership, association, enterprise, business, or firm in which any such person is in any manner interested;
3. a person not of good moral character and repute; or
4. a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.
5. a person who, within five years of the license application, has been convicted of a felony or a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage. The City may require that fingerprints be taken and forwarded to the Federal Bureau of Investigation for purposes of a criminal history check.

L. An off-sale licensee shall immediately notify the City of any disqualifying circumstance outlined in Subd. 3.12.

M. Background Checks - Initial Application Following Consolidation or Annexation.

1. On an initial application for an off-sale license following consolidation or annexation, and on application for transfer of an existing license hereunder, the applicant shall pay with the application an investigation fee of \$500.00. The City shall request that its Chief of Police conduct a preliminary background and financial investigation of the applicant. The application in such case shall be made on a form prescribed by the State Bureau of Criminal Apprehension and with such additional information as the Council may require. If the Council deems it in the public interest to have an investigation made on a particular application for renewal of a license, it shall so determine. If the Council determines that a comprehensive background and financial investigation of the applicant is necessary, it may conduct the investigation itself or contract with the Bureau of Criminal Apprehension for the investigation. If an investigation outside the state is required, the applicant shall be charged the cost not to exceed \$10,000, which shall be paid by the applicant after deducting any initial investigation fee already paid. The fee shall be payable by the applicant whether or not the license is granted. Upon completion of the investigation, the Chief of Police shall make a written report and recommendation to the City Council of his or her findings, including a specific report on any violations of federal or state law or municipal regulations.

2. The applicant for an off-sale license, including the transferee when a license is proposed to be transferred, must provide the City with the applicant's signed, written informed consent to conduct a background check.

3. For initial off-sale licenses applications, upon receipt of the written report and recommendation by the Police Chief of the City of Alexandria, and within twenty-one (21) days thereafter, the City Council shall instruct the Clerk to cause to be scheduled a public hearing, with notice thereof to be published in the official newspaper ten (10) days in advance of the scheduled hearing, setting forth the day, time and place when the hearing will be held, the name of the applicant, the premises where the business is to be conducted, the nature of the business, and such other information as the Council may direct. At the hearing,

opportunity shall be given to any person to be heard for or against the granting of the license. After such investigation and hearing, the council shall grant or refuse the application in its discretion.

4. For off-sale license renewal applications the Council will hold a public hearing. Notice of the time and place of said hearing and the fact that off-sale license renewal applications will be considered shall be published in the official newspaper at least ten (10) days in advance of the hearing. An opportunity shall be given to any person to be heard for or against the granting of an on-sale license renewal. The Council shall grant or refuse the application in its discretion.

5. The Council may, in its sole discretion and for any reasonable cause, deny any application, suspend, or revoke any off-sale license. Before suspension or revocation of any license, the Council shall give notice to the licensee and grant such licensees opportunity to be heard. Notice to be given and the exact time of hearing shall be stated in the resolution calling for such hearing. Licenses shall terminate only by expiration or revocation.

6. Lapse, suspension, cancelation, or any other loss of required insurance or bond shall result in an immediate suspension of any license issued pursuant to this Ordinance without further action by the City Council. Notice of cancellation, lapse, suspension, cancelation, or any other loss of current liquor liability policy or bond shall also constitute notice to the licensee of the contemporaneous suspension of the license. The holder of the license who has received notice of lapse, suspension, cancelation, or any other loss of required insurance of required insurance or bond may, in writing, request a hearing thereon. A hearing will be held at the next regularly scheduled City Council meeting with notice to the licensee. Any suspension under this paragraph shall continue until the City Council determines that the financial responsibility requirements of this ordinance have again been met.

Source: Ord. 876-2nd Series
Effective Date: 10/10/2022

Section 3.22 - Brew Pub Licenses.

Subd. 1. **Definition.** A brew pub license shall mean a license authorizing the on-sale of intoxicating or 3.2 percent malt liquor for a restaurant operated on a brewer's premises of manufacture (or "brew pub") pursuant to Minn. Stat. § 340A.24, as the same may be amended from time to time.

Subd. 2. **Issuance of license; fee; conditions of license.** Brew pub licenses may be issued if the brew pub meets the following criteria:

A. The annual license fee for a brew pub license, as established in the fee schedule kept on file in the office of the city clerk-treasurer, shall be paid.

B. The brew pub possesses a liquor brewing/manufacture license issued by the State of Minnesota.

C. The brew pub manufactures fewer than 3,500 barrels of malt liquor in a year, at any one licensed premises, for consumption on the premises or for off-sale from the premises.

D. The brew pub does not have an ownership interest, in whole or in part, in any other licensed intoxicating liquor or malt liquor manufacturer, brewer, importer or wholesaler, except for a similarly licensed restaurant-based brew pub. In addition, the licensee cannot be an officer, director, agent, or employee of a licensed manufacturer, brewer, importer, or wholesaler.

E. Retail sales under a brew pub license may not exceed 3,500 barrels per year, provided that off-sales, when applicable, may not total more than 750 barrels.

Subd. 3. **Off-Sale license; fee; conditions of license.** With the consent of the State of Minnesota, the City may, in addition to an on-sale license, issue a brew pub an off-sale intoxicating liquor or 3.2 percent malt liquor license for the off-sale of malt liquor produced and packaged on the licensed premises. Such brew pub off-sale licenses are subject to the following conditions:

A. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the jurisdiction in which the brew pub is located.

B. The malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores, except that malt liquor in growlers only may be sold at off-sale on Sundays.

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C. Sunday sales must be approved by the licensing jurisdiction and hours may be established by those jurisdictions.

D. Packaging of malt liquor for off-sale under this subdivision must comply with Minn. Stat. § 340A.285, as the same may be amended from time to time.

Subd. 4. All other provisions of Minn. Stat. § 340A.24, as the same may be amended from time to time, shall be applicable to such licenses and licensees.

Source: Ord. 905-2nd Series
Effective Date: 3/11/2024

(Sections 3.23 - 3.99 Reserved)