

Chapter 6
ALCOHOLIC BEVERAGES*

***State law reference;** Minn. Stat. Ch. 340A as it may be amended from time to time.

ARTICLE I. IN GENERAL

Secs. 6-1—6-17. Reserved.

ARTICLE II. INTOXICATING LIQUOR

DIVISION 1. GENERALLY

Sec. 6-18. Definitions.

In addition to the definitions contained in Minn. Stat. § 340A.101 as it may be amended from time to time, the following terms are defined for purposes of this Chapter:

LIQUOR. As used in this Chapter, “liquor” without modification by the word “intoxicating” or “3.2 percent malt” includes both intoxicating liquor and 3.2 percent malt liquor.

RESTAURANT. An eating facility, other than a hotel, under the control of a single proprietor or manager, where meals are regularly prepared on the premises, where table service is provided. To be a restaurant as defined by this section, an establishment shall have a license from the state as required by Minn. Stat. § 157.16, as it may be amended from time to time, and shall meet the requirements of the definition of a Class III restaurant as defined in City Code Section 129-2. An establishment which serves prepackaged food that receives heat treatment and is served in the package or frozen pizza that is heated and served, shall not be considered to be a restaurant for purposes of this Chapter.

(Ord. No. 11-2016; 9-4-2016)

DIVISION 2. RESTRICTIONS

Sec. 6-19. Nudity on the Premises of Licensed Establishments Prohibited.

(a) The City Council finds that it is in the best interests of the public health, safety, and general welfare of the people of the city that nudity is prohibited as provided in this section on the premises of any establishment licensed under this Chapter. This is to protect and assist the owners, operators, and employees of the establishment, as well as patrons and the public in general, from harm stemming from the physical immediacy and combination of alcohol, nudity, and sex. The Council especially intends to prevent any subliminal endorsement of sexual harassment or activities likely to lead to the possibility of various criminal conduct, including prostitution, sexual assault, and disorderly conduct. The Council also finds that the prohibition of nudity on the premises of any establishment licensed under this Chapter, as set forth in this section, reflects the prevailing community standards of the city.

(b) It is unlawful for any licensee to permit or allow any person or persons on the licensed premises when the person does not have his or her buttocks, anus, breasts, and genitals covered with a non-transparent material. It is unlawful for any person to be on the licensed premises when the person does not have his or her buttocks, anus, breasts, and genitals covered with a non-transparent material.

(c) A violation of this section is a misdemeanor punishable as provided by law, and is justification for revocation or suspension of any liquor, wine, or 3.2 percent malt liquor license or any other license issued under this Chapter or the imposition of a civil penalty under the provisions of Section 6-45(b).

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-20. Consumption in Public Places.

No person shall consume intoxicating liquor or 3.2 percent malt liquor in a public park, on any public street, sidewalk, parking lot or alley, or in any public place other than on the premises of an establishment licensed under this Chapter, in the municipal liquor store, or where the consumption and display of liquor is lawfully permitted.

Intoxicating liquor or 3.2 percent malt liquor may be consumed in designated parks and other public spaces of the city provided that the possession or consumption of such beverages shall be permitted when dispensed by an organization or association of persons who have first obtained a written permit therefor, approved by the City Council and authorized by the city clerk, upon such terms and conditions as the city council may impose.

(Ord. No. 11-2016; 9-4-2016; Ord. No. 04-2023, 04-09-2023)

Sec. 6-21. Reserved

DIVISION 3. LICENSES

Sec. 6-22. Number of Licenses which may be issued.

State law establishes the number of liquor licenses that a city may issue. The Council is not required to issue the full number of licenses that it has available.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-23. Term and Expiration of Licenses.

Each license shall be issued for a maximum period of one year. All licenses, except temporary licenses, shall expire on June 30 of each year unless another date is provided by this Chapter. All licenses shall expire on the same date. Temporary licenses expire according to their terms. Consumption and display permits issued by the Commissioner of Public Safety, and the accompanying city consent to the permit, shall expire on March 31 of each year.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-24. Types of Liquor Licenses.

The Council of a city which has a municipal liquor store is authorized to issue only those licenses specified in Section 6-24.

(a) *3.2 percent malt liquor on-sale licenses.* May be issued only to golf courses, restaurants, hotels, clubs, bowling centers, and establishments used exclusively for the sale of 3.2 percent malt liquor with the incidental sale of tobacco and soft drinks.

(b) *3.2 percent malt liquor off-sale license.* May be issued to permit the sale of 3.2 percent malt liquor at retail establishments, in the original package, for consumption off the premises only. Off-sale of 3.2 percent malt liquor shall be limited to the legal hours for off-sale as defined by Minn. Stat. § 340A.504.

(c) *Temporary 3.2 percent malt liquor licenses,* which may be issued only to a club, charitable, religious, or nonprofit organization for no more than 12 days per year.

(d) *On-sale intoxicating liquor licenses,* which may be issued to the following establishments as defined by Minn. Stat. § 340A.101, as it may be amended from time to time, and this Chapter: hotels, restaurants, bowling centers, clubs or congressionally chartered veterans organizations, and theaters. Club licenses may be issued only with the approval of the Commissioner of Public Safety. The fee for club

licenses established by the Council under Section 6-25 of this Chapter shall not exceed the amounts provided for in Minn. Stat. § 340A.408, subd. 2(b) as it may be amended from time to time. The Council may in its sound discretion authorize a retail on-sale licensee to dispense intoxicating liquor off the licensed premises at a community festival held within the city under the provisions of Minn. Stat. § 340A.404, subd. 4(b) as it may be amended from time to time. The Council may in its sound discretion authorize a retail on-sale licensee to dispense intoxicating liquor off the licensed premises at any convention, banquet, conference, meeting, or social affair conducted on the premises of a sports, convention, or cultural facility owned by the city, under the provisions of Minn. Stat. § 340A.404, subd. 4(a) as it may be amended from time to time; however, the licensee is prohibited from dispensing intoxicating liquor to any person attending or participating in an amateur athletic event being held on the premises.

(e) *Sunday on-sale intoxicating liquor licenses*, may be granted only after authorization to do so by voter approval at a general or special election as provided by Minn. Stat. § 340A.504, subd. 3, as it may be amended from time to time. Sunday on-sale intoxicating liquor licenses may be issued only to a restaurant as defined in Section 6-18 of this Chapter, club, bowling center, or hotel which has a seating capacity of at least 30 persons, which holds an on-sale intoxicating liquor license, and which serves liquor only in conjunction with the service of food. The maximum fee for this license, which shall be established by the Council under the provisions of Section 6-25 of this Chapter, shall not exceed \$200, or the maximum amount provided by Minn. Stat. § 340A.504, subd. 3(c) as it may be amended from time to time.

(f) *Temporary on-sale intoxicating liquor licenses*, with the approval of the Commissioner of Public Safety, which may be issued only in connection with a social event sponsored by a club, charitable, religious, or other nonprofit corporation that has existed for at least three years. No license period shall be longer than four consecutive days, and the city shall issue no more than 12 days worth of temporary licenses to any one organization in one calendar year.

(g) *On-sale wine licenses*, with the approval of the Commissioner of Public Safety to restaurants that have facilities for seating at least 25 guests at one time and meet the criteria of Minn. Stat. § 340A.404, subd. 5, as it may be amended from time to time, and which meet the definition of restaurant in section 6-18 and to licensed bed and breakfast facilities which meet the criteria in Minn. Stat. § 340A.401, subd. 1, as it may be amended from time to time. The fee for an on-sale wine license established by the Council under the provisions of Section 6-25 of this Chapter, shall not exceed one-half of the license fee charged for an on-sale intoxicating liquor license. The holder of an on-sale wine license who also holds an on-sale 3.2 percent malt liquor license is authorized to sell malt liquor over 3.2 percent (strong beer) without an additional license.

(h) *One day consumption and display permits* with the approval of the Commissioner of Public Safety to a nonprofit organization in conjunction with a social activity in the city sponsored by the organization.

(i) Approval of the issuance of a consumption and display permit by the Commissioner of Public Safety. The maximum amount of the additional fee which may be imposed by the Council on a person who has been issued a consumption and display permit under the provisions of Section 6-25 of this Chapter shall not exceed \$300, or the maximum amount permitted by Minn. Stat. § 340A.414, subd. 6, as it may be amended from time to time. Consumption and display permits shall expire on March 31 of each year.

(j) *Brew pub on-sale intoxicating liquor or on-sale 3.2 percent malt liquor licenses*, with the approval of the Commissioner of Public Safety, may be issued to brewers who operate a restaurant in their place of manufacture and who meet the criteria established at Minn. Stat. § 340A.301 subd. 6(d) and 7(b), as it may be amended from time to time. Sales under this license at on-sale may not exceed 3,500 barrels per year. If a brew pub licensed under this section possesses a license for off-sale under Section 24(k) of this Chapter, the brew pub's total combined retail sales at on-sale or off-sale may not exceed 3,500 barrels per year, provided that off-sales may not total more than 500 barrels.

(k) *Brewer off-sale intoxicating liquor licenses*, with the approval of the Commissioner of Public Safety, may be issued to a brewer that is a licensee under Section 6-24(j) of this Chapter or that produces

fewer than 3,500 barrels of malt liquor in a year and otherwise meets the criteria established at Minn. Stat. § 340A.301 subd. 6(d) and 7(b), as it may be amended from time to time. All malt liquor sold under this license shall be packaged in the manner required by Minn. Stat. § 340A.301, subd. 7 as it may be amended from time to time. Sales under this license may not exceed 500 barrels per year, and Sunday sales are limited to growlers only.

(l) *Brewer temporary on-sale intoxicating liquor licenses* may be issued, with the approval of the Commissioner of Public Safety, to brewers who manufacture fewer than 3,500 barrels of malt liquor in a year for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the brewer.

(m) *Brewer taproom on-sale intoxicating liquor license*. May be issued to a brewer who owns no more than one brewery or winery and holds a brewer's license from the state and manufactures no more than 20,000 barrels of malt liquor annually or a winery that produces no more than 250,000 gallons of wine annually for consumption on the premises or adjacent to the brewery location owned by the brewer. All malt liquor sold under this license shall be packaged in the manner required by Minn. Stat. § 340A.301, subd. 7 as it may be amended from time to time.

(n) *Brewer taproom off-sale intoxicating liquor license*, with the approval of the Commissioner of Public Safety, may be issued to a brewer that is a licensee under Section 6-24(m) of this Chapter or that produces fewer than 3,500 barrels of malt liquor in a year and otherwise meets the criteria established at Minn. Stat. § 340A.301 subd. 6(d) and 7(b), as it may be amended from time to time. All malt liquor sold under this license shall be packaged in the manner required by Minn. Stat. § 340A.301, subd. 7 as it may be amended from time to time. Sales under this license may not exceed 500 barrels per year, and Sunday sales are limited to growlers only.

(o) *Micro-distillery Cocktail Room license*. May be issued to a distillery operated within the state producing premium, distilled spirits in total quantity not to exceed 40,000 proof gallons in a calendar year. A micro-distillery, as permitted in state statute may provide on its premises samples of distilled spirits manufactured on its premises, in an amount not to exceed 15 milliliters per variety per person. No more than 45 milliliters may be sampled under this paragraph by any person on any day. A micro-distillery can sell cocktails to the public as permitted in Minn. Stat. § 340A.22 as it may be amended from time to time.

(p) *Micro-distillery off-sale license*. May be issued to a distillery producing distilled spirits as permitted in Minn. Stat. § 340A.22 as it may be amended from time to time. This license allows the sale of one 375 milliliter bottle per customer per day of the product manufactured on-site as per the hours for retail off-sale licensees in the licensing municipality and only for brands available for distribution by wholesalers.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-25. License Fees; Pro Rata.

(a) No license or other fee established by the city shall exceed any limit established by Minn. Stat. Ch. 340A, as it may be amended from time to time, for a liquor license.

(b) The Council may establish from time to time by ordinance, resolution or any other meaning authorized by law, the fee for any of the liquor licenses it is authorized to issue. The license fee may not exceed the cost of issuing the license and other costs directly related to the enforcement of the liquor laws and this Chapter. No liquor license fee shall be increased without providing mailed notice of a hearing on the proposed increase to all affected licensees at least 30 days before the hearing.

(c) The fee for all licenses, except temporary licenses, granted after the commencement of the license year shall be prorated with any unexpired fraction of a month being counted as one month.

(d) All license fees shall be paid in full at the time the application is filed with the city. In renewing the license, the Council may allow the "On-Sale" licensee to pay the fee in two installments, with one-half due on or before June 30 and the balance due on or before December 31. If the application is denied, the license fee shall be returned to the applicant.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-26. Council Discretion to Grant or Deny a License.

The Council in its sound discretion may either grant or deny the application for any license or for the transfer or renewal of any license. No applicant has a right to a license under this Chapter.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-27. Application for License.

(A) *Form.* Every application for a license issued under this Chapter shall be on a form provided by the city. Every application shall state the name of the applicant, the applicant's age, representations as to the applicant's character, with references as the Council may require, the type of license applied for, the business in connection with which the proposed license will operate and its location, a description of the premises, whether the applicant is owner and operator of the business, how long the applicant has been in that business at that location or another location, and other information as the Council may require from time to time. An application for an on-sale intoxicating liquor license shall be in the form prescribed by the Commissioner of Public Safety and shall also contain the information required in this Chapter. The form shall be verified and filed with the city. No person shall make a false statement in an application.

(B) *Financial responsibility.* Prior to the issuance of any license under this Chapter, the applicant shall demonstrate proof of financial responsibility with regard to liability under Minn. Stat. § 340A.801, as it may be amended from time to time, as defined in Minn. Stat. § 340A.409, as it may be amended from time to time. This proof will be filed with the city and the Commissioner of Public Safety. Any liability insurance policy filed as proof of financial responsibility under this section shall conform to Minn. Stat. § 340A.409, as it may be amended from time to time. Operation of a business which is required to be licensed by this Chapter without having on file with the city at all times effective proof of financial responsibility with regard to liability is a cause for revocation of the license.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-28. Description of Premises.

The application shall specifically describe the compact and contiguous premises within which liquor may be dispensed and consumed. The description may not include any parking lot or sidewalk.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-29. Applications for Renewal.

At least 60 days before a license issued under this Chapter is to be renewed, an application for renewal shall be filed with the city. The decision whether or not to renew a license rests within the sound discretion of the Council. No licensee has a right to have the license renewed.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-30. Transfer of License.

No license issued under this Chapter may be transferred without the approval of the Council. Any transfer of stock of a corporate licensee is deemed to be a transfer of the license, and a transfer of stock

without prior Council approval is a ground for revocation of the license. An application to transfer a license shall be treated the same as an application for a new license, and all of the provisions of this code applying to applications for a license shall apply.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-31. Investigation.

(a) *Preliminary background and financial investigation.* On an initial application for a license or an application for transfer of a license and, in the sound discretion of the Council that it is in the public interest to do so, on an application for renewal of a license, the city shall conduct a preliminary background and financial investigation of each applicant or it may contract with the Commissioner of Public Safety for the investigation. Each applicant shall pay with the application an investigation fee which shall be in addition to any license fee.

(b) *Comprehensive background and financial investigation.* If the results of a preliminary investigation warrant, in the sound discretion of the Council, a comprehensive background and financial investigation, the Council may either conduct the investigation itself or contract with the Commissioner of Public Safety for the investigation. The investigation fee for this comprehensive background and financial investigation to be paid by the applicant shall be \$500, less any amount paid for the initial investigation if the investigation is to be conducted within the state, and \$10,000, less any amount paid for the initial investigation, if the investigation is required outside the state. The unused balance of the \$10,000 out of state investigation fee shall be returned to the applicant whether or not the application is denied. The fee shall be paid in advance of any investigation and the amount actually expended on the investigation shall not be refundable in the event the application is denied.

(c) *Referral to Chief of Police for recommendation.* All applications for a license shall be referred to the Chief of Police and to such other city departments as the City Manager shall deem necessary, for verification and investigation of the facts set forth in the application. The Chief of Police shall cause to be made such investigation of the information requested in section 6-27 as shall be necessary and shall make a written recommendation and report to the Council which shall include a list of violations of federal or state law or municipal regulations.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-32. Hearing and Issuance.

The Council shall investigate all facts set out in the application and not investigated in the preliminary or comprehensive background and financial investigations. 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 sound discretion grant or deny the application. No license shall become effective until the proof of financial security with regard to liability has been approved by the Commissioner of Public Safety.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-33. Restrictions on Issuance.

(a) Each license shall be issued only to the applicant(s) for the premises described in the application.

(b) No license shall be granted or renewed for operation on any premises on which taxes, assessments, utility charges, service charges, or other financial claims of the city are delinquent and unpaid.

(c) No license shall be issued for any place or any business ineligible for a license under state law.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-34. Conditions of License.

The failure of a licensee to meet any one of the conditions of the license specified below shall result in a suspension of the license until the condition is met.

(a) Every licensee is responsible for the conduct of the place of business and the conditions of sobriety and order in it. The act of any employee on the licensed premises is deemed the act of the licensee as well, and the licensee shall be liable to all penalties provided by this Chapter and the law equally with the employee.

(b) Every licensee shall allow any peace officer, health officer, city employee, or any other person designated by the Council to conduct compliance checks and to otherwise enter, inspect, and search the premises of the licensee during business hours and after business hours during the time when customers remain on the premises without a warrant.

(c) Compliance with financial responsibility with regard to liability requirements of state law and of this Chapter is a continuing condition of any license.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-35. Hours and Days of Sale.

(a) The hours of operation and days of sale shall be those set by Minn. Stat. § 340A.504, as it may be amended from time to time, except that the City Council may, by resolution or ordinance, provide for more restrictive hours than state law allows. The City does not further restrict on-sale or off-sale hours or limit off-sale hours to those of the municipal liquor store than the hours set by Minn. Stat. § 340A.504, as it may be amended from time to time.

(b) Conditions of sales after 1:00 am shall be set by Minn. Stat. § 340A.504 Subd. 7, as it may be amended from time to time, with municipal consent.

(c) No person shall consume nor shall any on-sale licensee permit any consumption of intoxicating liquor or 3.2 percent malt liquor in an on-sale licensed premises more than 30 minutes after the time when a sale can legally occur.

(d) No on-sale licensee shall permit any glass, bottle, or other container containing intoxicating liquor or 3.2 percent malt liquor to remain upon any table, bar, stool, or other place where customers are served, more than 30 minutes after the time when a sale can legally occur.

(e) No person, other than the licensee and any employee, shall remain on the on-sale licensed premises more than 30 minutes after the time when a sale can legally occur.

(f) Any violation of any condition of this section may be grounds for revocation or suspension of the license.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-36. Employment of Minors.

No person under 18 years of age may serve or sell intoxicating liquor in a retail intoxicating liquor establishment under the provisions of Minn. Stat. § 340A.412, Subd. 10, as it may be amended from time to time.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-37. Restrictions on Purchases and Consumption.

No person shall mix or prepare liquor for consumption in any public place of business unless it has a license to sell on-sale, or a permit from the Commissioner of Public Safety under the provisions of Minn. Stat. § 340A.414, as it may be amended from time to time, which has been approved by the Council, and no person shall consume liquor in any such place.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-38. Suspension and Revocation.

(a) The Council shall either suspend for a period not to exceed 60 days or revoke any liquor license upon finding that the licensee has failed to comply with any applicable statute, regulation, or provision of this Chapter relating to liquor. Except in cases of lapse of proof of financial responsibility with regard to liability, no suspension or revocation shall take effect until the licensee has been afforded an opportunity for a hearing pursuant to the Administrative Procedures Act, Minn. Stat. § 14.57 to 14.70, as it may be amended from time to time. The Council may act as the hearing body under that act, or it may contract with the Office of Hearing Examiners for a hearing officer.

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

(1) For commission of a felony related to the licensed activity, sale of alcoholic beverages while the license is under suspension, or sale of intoxicating liquor where the only license is for 3.2 percent malt liquor, the license shall be revoked.

(2) The license shall be suspended by the Council after a finding that the licensee has failed to comply with any applicable statute, rule, or provision of this Chapter for at least the minimum periods as follows:

a. For the first violation within any three-year period, at least one day suspension in addition to any criminal or civil penalties which may be imposed.

b. For a second violation within any three-year period, at least three consecutive days suspension in addition to any criminal or civil penalties which may be imposed.

c. For the third violation within any three-year period, at least seven consecutive days suspension in addition to any criminal or civil penalties which may be imposed.

d. For a fourth violation within any three-year period, the license shall be revoked within 60 days following a violation for which revocation is imposed.

(3) The Council shall select the day or days during which the license will be suspended.

(c) Lapse of required proof of financial responsibility shall affect an immediate suspension of any license issued pursuant to this Chapter or state law without further action of the Council. Notice of cancellation or lapse of a current liquor liability policy shall also constitute notice to the licensee of the impending suspension of the license. The holder of a license who has received notice of lapse of required insurance or of suspension or revocation of a license may request a hearing thereon and, if a request is made in writing to the Clerk, a hearing before the Council shall be granted within ten days. Any suspension under this division shall continue until the Council determines that the financial responsibility requirements of state law and this Chapter have again been met.

(d) The provisions of Sec. 6-45 pertaining to administrative penalties may be imposed in addition to or in lieu of any suspension or revocation under this Section.

(Ord. No. 11-2016; 9-4-2016)

DIVISION 4. MUNICIPAL LIQUOR STORES

Sec. 6-39. Existing Municipal Liquor Stores.

The city has in existence on the effective date of this Chapter a municipal liquor store for the sale of intoxicating liquor. Except as provided in Section 6-43, no intoxicating liquor may be sold at retail elsewhere in the city.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-40. Location.

The municipal liquor store shall be located at a suitable place in the city as the Council determines by motion. However, no premises upon which taxes, assessments, or other public charges are delinquent shall be leased for municipal liquor store purposes. The Council shall have the right to establish additional off-sale and on-sale stores at other locations as it may, from time to time, by motion, determine.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-41. Operation.

(a) *Manager.* The municipal liquor store shall be in the immediate charge of a Liquor Store Manager selected by the City Manager and paid compensation as is fixed by the City Council. The Liquor Store Manager shall not be a person who would be prohibited by law or any provision of this Chapter from being eligible for an intoxicating liquor license. The Liquor Store Manager shall operate the municipal liquor store under the City Manager's direction and shall perform those duties in connection with the store as may be established by the City Manager. The Liquor Store Manager shall be responsible to the City Manager for the conduct of the store in full compliance with this Chapter and with the laws relating to the sale of intoxicating liquor and 3.2 percent malt liquor.

(b) *Other employees.* The City Manager may also appoint additional employees as may be required and shall fix their compensation. All employees, including the Liquor Store Manager, shall hold their positions at the pleasure of the City Manager. No person under the age of 21 shall be employed in the store.

(c) *Municipal liquor store fund.* All of the revenues received from the operation of a municipal liquor store shall be deposited in a municipal liquor store fund from which all ordinary operating expenses, including compensation of the Liquor Store Manager and employees, shall be paid. Surpluses accumulating in the fund may be transferred to the general fund of the city or to any other appropriate fund of the city by resolution of the Council, and may be expended for any municipal purpose. The handling of municipal liquor store receipts and disbursements shall comply with the procedure prescribed by law and charter for the receipts and disbursements of city funds generally.

(d) *Financial statement.* The Council shall provide within 90 days following the end of the calendar year for publication a balance sheet using generally accepted accounting procedures and a statement of operations of the municipal liquor store for that year. The balance sheet and statement shall be published in accordance with the provisions of Minn. Stat. § 471.6985, as it may be amended from time to time.

(e) *Hours of operation.* The hours during which the sale of intoxicating liquor may be sold shall be within the provisions of Minn. Stat. § 340A.504. No person, other than the Liquor Store Manager or a store employee, may remain in the municipal liquor store longer than one-half hour after the time when the sale of intoxicating liquor must cease.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-42. Proof of Financial Responsibility.

The City shall demonstrate proof of financial responsibility with regard to liability required by licensees of retail intoxicating liquor establishments under the provisions of Minn. Stat. § 340A.409, as it may be amended from time to time.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-43. Issuance of Other Licenses.

(a) *On-sale licenses for the sale of intoxicating liquor and wine.* The Council may issue in its sound discretion on-sale licenses, as limited by the provisions of this Chapter and the provisions of Minn. Stat. § 340A.404, as it may be amended from time to time.

(b) *On- and off-sale 3.2 percent malt liquor licenses.* The Council may issue in its sound discretion on- and off-sale 3.2 percent malt liquor licenses, as limited by the provisions of this Chapter and the provisions of Minn. Stat. § 340A.403, as it may be amended from time to time.

(c) *On- and off-sale brew pub, taproom and micro-distillery licenses.* The Council may issue in its sound discretion on- and off-sale brew pub, taproom and micro-distillery licenses, as limited by the provisions of this Chapter and the provisions of Minn. Stat. § 340A.22 to 340A.28, as it may be amended from time to time.

(Ord. No. 11-2016; 9-4-2016)

Sec. 6-44. Reserved.

DIVISION 5. PENALTIES

Sec. 6-45. Penalties.

(a) Any person violating the provisions of this Chapter or Minn. Stat. Ch. 340A as it may be amended from time to time or any rules promulgated under that chapter as they may be amended from time to time is guilty of a misdemeanor and upon conviction shall be punished as provided by law.

(b) The Council shall impose a civil penalty of up to \$2,000 for each violation of Minn. Stat. Ch. 340A, as it may be amended from time to time, and of this Chapter. Conviction of a violation in a court of law is not required in order for the Council to impose the civil penalty. A hearing under the Administrative Procedures Act, Minn. Stat. § 14.57 to 14.70, as it may be amended from time to time, is not required before the penalty is imposed, but the Council shall hold a hearing on the proposed violation and the proposed penalty and hear any person who wishes to speak. Non-payment of the penalty is grounds for suspension or revocation of the license. The following is the minimum schedule of presumptive civil penalties which must be imposed in addition to any suspension unless the license is revoked:

- (1) For the first violation within any three-year period, \$500.
- (2) For the second violation within any three-year period, \$1,000.
- (3) For the third and subsequent violations within any three-year period, \$2,000.

(c) The term “violation” as used in Section 6-38 includes any and all violations of the provisions in this section, or of Minn. Stat. Ch. 340A, as it may be amended from time to time or any rules promulgated under that chapter as they may be amended from time to time. The number of violations shall be determined on the basis of the history of violations for the preceding three-year period.

(d) The provisions of Section 6-38 pertaining to suspension or revocation may be imposed in addition to or in lieu of any administrative penalties under this Section.

(Ord. No. 11-2016; 9-4-2016)