

CHAPTER 117: ALCOHOLIC BEVERAGES

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§ 117.001 ADOPTION OF STATE LAW BY REFERENCE.

The provisions of Minnesota Statutes Chapter 340A, as they may be amended from time to time, with reference to the definition of terms, conditions of operation, restrictions on consumption, provisions relating to sales, hours of sale, and all other matters pertaining to the retail sale, distribution, and consumption of intoxicating liquor and 3.2 percent malt liquor are hereby adopted by reference and are made a part of this Chapter as if set out in full. It is the intention of the City Council of the City of Lake City that all future amendments to Minnesota Statutes Chapter 340A are hereby adopted by reference or referenced as if they had been in existence at the time this Chapter is adopted.

§ 117.002 CITY MAY BE MORE RESTRICTIVE THAN STATE LAW.

The City Council of Lake City is authorized by the provisions of Minnesota Statutes Section 340A.509, as it may be amended from time to time, to impose, and has imposed in this Chapter, additional restrictions on the sale and possession of alcoholic beverages within its limits beyond those contained in Minnesota Statutes Chapter 340A, as it may be amended from time to time.

§ 117.003. LICENSE REQUIRED.

It is unlawful for any person to sell liquor or keep it for sale without first obtaining the required license from the city.

§ 117.004 DEFINITIONS.

In addition to the definitions contained in Minnesota Statutes Section 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, without modification by the words an “intoxicating” or a “3.2 percent malt” includes both intoxicating liquor and 3.2 percent malt liquor.

NUDITY or NUDE. The showing of the human male or female genitals, pubic area, buttocks, or anus with less than a fully opaque covering; the showing of the female breast with less than a fully opaque covering of any part of the nipple; the exposure of any device, costume, or covering which gives the appearance of or simulates the genitals, pubic hair, natal cleft, perineum anal region or pubic hair region; or the exposure of any device worn as a cover over the nipples and/or areola of the female breast, which device simulates and gives the realistic appearance of nipples and/or areola; or human male genitals in a discernibly turgid state, even if completely and opaquely covered.

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 full waitress/waiter table service is provided, where a customer orders food from printed menus and where the main food course is served and consumed while seated at a single location. To be a restaurant as defined by this section, an establishment shall have a license from the state as required by Minnesota Statutes Section 157.16, as it may be amended from time to time, and

meet the definition of either a “small establishment,” “medium establishment” or “large establishment” as defined in Minnesota Statutes Section 157.16, subdivision 3d, as it may be amended from time to time. An establishment that 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 unless it meets the definitions of a “small establishment”, “medium establishment” or “large establishment”.

§ 117.005 NUDITY ON THE PREMISES OF LICENSED ESTABLISHMENTS PROHIBITED.

(A) The City Council of Lake City 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 City Council of the City of Lake City 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 nudity on the licensed premises. It is unlawful for any person to be nude on the licensed premises.

(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 117.025.

§ 117.006 CONSUMPTION IN PUBLIC PLACES

No person shall consume alcoholic beverages:

(A) On any public street, sidewalk, parking lot, or alley, unless consumption is in connection with a special event where the consumption of alcoholic beverages within a designated area is approved by the Council.

(B) In any public park between the hours of 10:00 p.m. and 9:00 a.m. This time limitation may be adjusted by the Council to allow for extended hours of consumption for special events or organized sports league or tournament play. Alcohol being consumed must be in individual containers that do not exceed 16 ounces in size; and

(C) In any other public place with the exception of the City Marina, Hok-Si-La campground, and the premises of an establishment licensed under this Chapter. (Ord. 522, Adopted 5/13/2013)

§ 117.007 RAFFLES, SILENT AUCTIONS AND FUND RAISING EVENTS FOR CHARITABLE PURPOSES OF WINE, BEER OR INTOXICATING LIQUORS.

No person shall conduct a silent auction, raffle or other fund raising event pursuant to Minnesota Statutes Section 340A.707 with prizes or awards of wine, beer or intoxicating liquors without notifying the city clerk, in writing, of the event at least ten (10) days prior to the occurrence of the event. The event holder shall provide the city with the following information: the person or organization holding the event, the day, time and location of the event, type of fund raising event (silent auction, raffle or otherwise), type and amount of wine, beer, intoxicating liquor to be awarded as prizes, and the charitable purposes to which the event proceeds will be donated.

§ 117.008 NUMBER OF LICENSES WHICH MAY BE ISSUED.

Minnesota Statutes, Section 340A.413, subdivision 1 (4) and subdivision 4 establishes the number of On Sale Liquor Licenses allowed “in cities of the fourth class”. The City Council is not required to issue the full number of licenses that it has available. The City Council is authorized to establish a lower limit of On Sale Liquor Licenses. Minnesota Statutes Section 340A.413 subdivision 5 establishes that there is no maximum number of Off Sale Liquor Licenses that the City of Lake City may issue. The City Council is authorized, by Minnesota Statutes Section 340A.413 subdivision 5, to establish the maximum number of Off Sale Liquor Licenses issued.

§ 117.009 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 this Chapter. All licenses shall expire on the same date. Temporary licenses shall 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 June 30 of each year.

§ 117.010 KINDS OF LIQUOR LICENSES.

The City Council is authorized to issue the following licenses and permits (up to the number specified in Section 117.008):

(A) 3.2 percent malt liquor on-sale licenses, which 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 licenses.

(C) Temporary 3.2 percent malt liquor licenses which may be issued only to a club, charitable, religious, or nonprofit organization.

(D) Off-sale intoxicating liquor licenses, which may be issued only to exclusive liquor stores or drug stores that have an off-sale license which was first issued on or before May 1, 1994. The fee for an off-sale intoxicating liquor license established by the Council under Section 117.011 shall not exceed \$240 or a greater amount which may be permitted by M.S. Minnesota Statutes Section 340A.408, subdivision 3, as it may be amended from time to time.

(E) On-sale intoxicating liquor licenses, which may be issued to the following establishments as defined by Minnesota Statutes Section 340A.101, as it may be amended from time to time, and this Chapter: hotels, restaurants, bowling centers, theaters, clubs or congressionally chartered veterans organizations, theaters and exclusive liquor stores. 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 117.011 of this Chapter shall not exceed the amounts provided for in Minnesota Statutes Section 340A.408, subdivision 2b, 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 Minnesota Statutes Section 340A.404, subdivision 4b, 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 Minnesota Statutes Section 340A.404, subdivision 4a, 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.

(F) Sunday on-sale intoxicating liquor licenses, only after authorization to do so by voter approval at a general or special election as provided by Minnesota Statutes Section 340A.504, subdivision 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 117.004 of this Chapter, club, bowling center, or hotel which has a seating capacity of at least thirty (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 117.011 of this Chapter, shall not exceed \$200, or the maximum amount provided by Minnesota Statutes Section 340A.504, subdivision 3c, as it may be amended from time to time.

(G) Combination on-sale/off-sale intoxicating liquor licenses if the city has a population less than 10,000.

(H) 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 (3) years. No license shall be for longer than four (4) consecutive days, and the city shall issue no more than twelve (12) days' worth of temporary licenses to any one organization in one calendar year.

(I) On-sale wine licenses, with the approval of the Commissioner of Public Safety to: theaters, restaurants that have facilities for seating at least twenty five (25) guests at one time and meet the criteria of Minnesota Statutes Section 340A.404, subdivision 5, as it may be amended from time to time, and which meet the definition of restaurant in Section 117.004; to licensed bed and breakfast facilities which meet the criteria in Minnesota Statutes Section 340A.401, subdivision 1, as it may be amended from time to time and to theaters that meet the criteria of Minnesota Statutes Section 340A.404(b), 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 117.011 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 with a content of over 3.2 percent (strong beer) without an additional license.

(J) 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.

(K) 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 117.011 of this Chapter shall not exceed \$300, or the maximum amount permitted by Minnesota Statutes Section 340A.14, subdivision 6, as it may be amended from time to time. Consumption and display permits shall expire on June 30 of each year.

(L) 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 Minnesota Statutes Section 340A.301 subdivisions 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 117.010 (M) below, the brew pub's total combined retail sales at on-sale or off-sale may not exceed 3,500 barrels per year, provided that off-sales may not total more than 500 barrels.

(M) 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 117.010 (L) above or that produces fewer than 3,500 barrels of malt liquor in a year and otherwise meets the criteria established at Minnesota Statutes Section 340A.301 subdivisions 6(d) and 7(b), as it may be amended from time to time. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the city. Malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores. All malt liquor sold under this license shall be packaged in the manner required by Minnesota Statutes Section 340A.301 subdivision 7, as it may be amended from time to time. Sales under this license may not exceed 500 barrels per year. If a brewer licensed under this section possesses a license under Section 117.010 (L) above, the brewer's total retail sales at on-sale or off-sale may not exceed 3,500 barrels per year, provided that off-sales may not total more than 500 barrels.

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

§ 117.011 LICENSE FEES; PRO RATA.

(A) No license or other fee established by the city shall exceed the limits established by Minnesota Statutes Section 340A.408, as it may be amended from time to time, for a liquor license.

(B) The Council may establish fees and charges for any of the liquor licenses it is authorized to issue. The license fee may not exceed the cost of issuing the license, inspections 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 on a quarterly basis.

(D) All license fees shall be paid in full at the time the application is filed with the city. If the application is denied, the license fee shall be returned to the applicant.

(E) A refund of a pro rata share of an annual license fee may occur only if authorized by Minnesota Statutes Section 340A.408, subdivision 5, (1) the business ceases to operate because of destruction or damage; or (2) the licensee dies; as it may be amended from time to time.

(F) Off-sale intoxicating liquor licensees may request a reduction in their annual license fee by the amount specified in Minnesota Statutes Section 340A.408 if at the time of initial application or renewal they:

- (1) Agree to have a private vendor approved by the city train all employees within sixty (60) days of hire and annually thereafter in laws pertaining to the sale alcohol, the rules for identification checks, and the responsibilities of establishments serving intoxicating liquors;
- (2) Post a policy requiring identification checks for all persons appearing to be thirty (30) years old or less;
- (3) Establish a written cash award and incentive program to award employees who catch underage drinkers and a written penalty program to punish employees in the event of a failed compliance check;
- (4) Failure to abide by the provisions of this paragraph may result in suspension of the license until the conditions of the fee reduction are met

and may result in suspension and/or revocation of the license pursuant to Section 117.024 of this Chapter.

§ 117.012 COUNCIL DISCRETION TO GRANT OR DENY A LICENSE.

The City 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.

§ 117.013 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 name of 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 place, and other information as the City 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 section. 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 as defined in Minnesota Statutes Section 340A.409, as it may be amended from time to time, with regard to liability under M.S. §340A.801, 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 Minnesota Statutes Section 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 is a cause for revocation of the license.

§ 117.014 DESCRIPTION OF PREMISES.

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

§ 117.015 APPLICATIONS FOR RENEWAL.

At least ninety (90) 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 shall rest within the sound discretion of the City Council. No licensee has a right to have the license renewed.

§ 117.016 TRANSFER OF LICENSE.

Liquor licenses are non-transferable. 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 Chapter related to applications for a license shall apply.

§ 117.017 INVESTIGATION.

(A) *Preliminary background and financial investigation.* On an initial application for a license, on an application for transfer of a license and, in the sound discretion of the City 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 the applicant or it may contract with the Commissioner of Public Safety to perform such an investigation. The applicant shall pay with the application an investigation fee of five hundred dollars (\$500) which shall be in addition to any license fee. If the cost of the preliminary investigation is less than five hundred dollars (\$500), the unused balance shall be returned to the applicant. The results of the preliminary investigation shall be sent to the Commissioner of Public Safety if the application is for an on-sale intoxicating liquor license or an on-sale wine license.

(B) *Comprehensive background and financial investigation.* If the results of a preliminary investigation warrant, in the sound discretion of the City Council, a comprehensive background and financial investigation, the City Council may either conduct the investigation itself or contract with the Commissioner of Public Safety for such an investigation. The investigation fee for this comprehensive background and financial investigation to be paid by the applicant shall be five hundred dollars (\$500), less any amount paid for the initial investigation if the investigation is to be conducted within the state, and ten thousand dollars (\$10,000), less any amount paid for the initial investigation, if the investigation is required outside the state. The unused balance of the 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. The results of the comprehensive investigation shall be sent to the Commissioner of Public Safety if the application is for an on-sale intoxicating liquor license or an on-sale wine license.

§ 117.018 HEARING AND ISSUANCE.

The City 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 has been approved by the Commissioner of Public Safety.

§ 117.019 RESTRICTIONS ON ISSUANCE.

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

(B) Not more than one license shall be directly or indirectly issued within the city to any one person.

(C) 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.

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

(E) No license shall be issued to any person who is not a resident of the state. If the applicant is a corporation, all of the shareholders shall be residents of the state. The provisions of this division (E) shall not apply to any license existing on the effective date of this Chapter or to the renewal of an existing license.

(F) No license shall be granted within five hundred (500) feet of any school or church. The distance is to be measured from the closest side of the church to the closest side of the structure on the premises within which liquor is to be sold.

§ 117.020. 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) Within ninety (90) days after employment, every person selling or serving liquor in an establishment which has an on-sale license shall receive training regarding the selling or serving of liquor to customers. The training shall be provided by an organization approved by the City Council. Proof of training shall be provided by the licensee to the City Clerk's office.

(B) Every licensee shall be 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 shall be deemed to be 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.

(C) Every licensee shall allow any peace officer, health officer, city employee, or any other person designated by the Police Department 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.

(D) No on-sale establishment shall display liquor to the public during hours when the sale of liquor is prohibited.

(E) Compliance with financial responsibility requirements of state law and of this Chapter shall be a continuing condition of any license.

(F) Failure by an off-sale intoxicating liquor licensee who has received a fee reduction pursuant to Section 117.011 (F) of this Chapter to abide with the provisions of Section 117.011 (F).

§ 117.021 HOURS AND DAYS OF SALE.

(A) The hours of operation and days of sale shall be as follows:

- (1) 3.2 percent malt liquor. No sale of 3.2 percent malt liquor may be made between 2:00 a.m. and 8:00 a.m. on the days of Monday through Saturday, nor between 2:00 a.m. and 10:00 a.m. on Sunday.
- (2) Intoxicating liquor; on-sale. No sale of intoxicating liquor for consumption on the licensed premises may be made:
 - (a) between 2:00 a.m. and 8:00 a.m. on the days of Monday through Saturday;
 - (b) after 2:00 a.m. on Sunday, except as provided in paragraph 3 of this section.
- (3) Intoxicating liquor; Sunday sales; on-sale. A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 10:00 a.m. on Sundays and 2:00 a.m. on Mondays.
- (4) Intoxicating liquor; off-sale. No sale of intoxicating liquor may be made by an off-sale licensee:
 - (a) on Sundays;
 - (b) before 8:00 a.m. or after 10:00 p.m. on Monday through Saturday;
 - (c) on Thanksgiving Day;
 - (d) on Christmas Day, December 25; or
 - (e) after 8:00 p.m. on Christmas Eve, December 24.

(B) No licensee may sell intoxicating liquor or 3.2 percent malt liquor on-sale between the hours of 1:00 a.m. and 2:00 a.m. unless the licensee has obtained a permit from the Commissioner of Public Safety and paid any applicable state or city fees.

(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 fifteen (15) 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 fifteen (15) 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 fifteen (15) 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.

§ 117.022 MINORS ON PREMISES.

(A) No person under the age of eighteen (18) years shall be employed in any rooms constituting the place in which intoxicating liquors or 3.2 percent malt liquor are sold at retail on sale, except that persons under the age of eighteen (18) may be employed as musicians or perform the duties of a bus person, host, or dishwashing services in places defined as a restaurant, hotel, motel or other multi-purpose building serving food in rooms in which intoxicating liquors or 3.2 percent malt liquor are sold at retail on sale.

(B) No person under the age of twenty-one (21) years may enter a licensed establishment except to work, consume meals on premises that qualify as a restaurant, or attend social functions that are held in a portion of the premises where liquor is not sold.

§ 117.023 RESTRICTIONS ON PURCHASE 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 Minnesota Statutes Section 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.

§ 117.024 SUSPENSION AND REVOCATION.

(A) The City Council shall either revoke or suspend for a period not to exceed sixty (60) days 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, no suspension or revocation shall take effect until the licensee has been afforded an opportunity for a hearing pursuant to the Administrative Procedures Act, Minnesota Statutes Sections 14.57 to 14.70, as it may be amended from time to time. The City 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 City Council for violations of this Chapter or Minnesota Statutes Chapter 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) The license shall be revoked for the commission of a felony related to the licensed activity, sale of alcoholic beverages while the license is under suspension, sale of intoxicating liquor where the only license is for 3.2 percent malt liquor, or violation of Section 4 117.005.
- (2) The license shall be suspended by the City Council after a finding under division (A) 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.
- (3) The City 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 City Council shall be granted within ten (10) days. Any suspension under this division (B) shall continue until the City Council determines that the financial responsibility requirements of state law and this Chapter have again been met.

(D) The provisions of Section 117.025 pertaining to penalties may be imposed in addition to or in lieu of any suspension or revocation under this Chapter.

§ 117.025. PENALTIES.

(A) Any person violating the provisions of this Chapter or Minnesota Statutes Chapter 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 City Council shall impose a civil penalty of up to \$2,000 for each violation of Minnesota Statutes Chapter 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 City Council to impose the civil penalty. A hearing under the Administrative Procedures Act, Minnesota Statutes Sections 14.57 to 14.70, as it may be amended from time to time, is not required before the penalty is imposed, but the City 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 shall 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 117.024 includes any and all violations of the provisions in this section, or of Minnesota Statutes Chapter 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. Revocation shall occur within sixty (60) days following a violation for which revocation is imposed.

(Ord. 498 Repealed; Ord. 519, Adopted 3/11/13)