

ORDINANCE NO. O2019-004

AN ORDINANCE OF THE CITY OF SHAKOPEE AMENDING TITLE XI, CHAPTER 114 OF THE CITY CODE RELATED TO MICRODISTILLERIES

THE CITY COUNCIL OF THE CITY OF SHAKOPEE, MINNESOTA, ORDAINS:

Section 1. Section 114.01 of the City Code is hereby amended by adding the new double-underlined definition below:

MICRODISTILLERY. A distillery operated within the state producing premium, distilled spirits in total quantity not to exceed 40,000 proof gallons in a calendar year.

Section 2. Section 114.06 of the City Code is hereby amended by adding the double-underlined language as follows:

§ 114.06 FIXING LICENSE FEES.

All license fees provided for in this chapter, including, but not by way of limitation, license fees for on-sale and off-sale of 3.2% malt liquor, temporary on-sale of 3.2% malt liquor, temporary on-sale of liquor, on-sale and off-sale of liquor, on-sale of liquor by clubs, on-sale of wine, cocktail rooms, brewer taproom license, small brewer license, and consumption and display of liquor, shall be fixed and determined by the Council, adopted by resolution, and uniformly enforced. Such license fees may, from time to time, be amended by the Council by resolution. A copy of the resolution setting forth currently effective license fees shall be kept on file in the office of the City Administrator, and open to inspection during regular business hours.

Section 3. Section 114.09(A) of the City Code is hereby amended by adding the double-underlined language as follows:

(A) *Proof.* No 3.2% malt liquor, wine, liquor, cocktail room, brewer taproom, or small brewer license shall be issued or renewed unless and until the applicant has provided proof of financial responsibility imposed by state statutes by filing:

(1) Evidence of financial responsibility as required by state law is furnished by filing a liability insurance policy, a certificate of such insurance or a binder for such coverage in the form and in the amount and conditioned all as required by M.S. § 340A.409, subd. 1(1), as it may be amended from time to time, in force and effect at the time of filing the license application;

(2) A bond of a surety company with minimum coverages as provided in division (A)(1) above; or

(3) A certificate of the State Treasurer that the licensee has deposited with the State Treasurer \$100,000 in cash or securities which may legally be purchased by savings banks or for trust funds having a market value of \$100,000.

Section 4. City Code Chapter 114, Alcoholic Beverages, is amended to include a new Section 114.24, Microdistilleries, which shall read as follows:

§ 114.24 MICRODISTILLERIES.

(A) Cocktail room license authorized. A cocktail room license may be issued to the holder of a state microdistillery license if at least 50 percent of the annual production of the licensee is processed and distilled on premises. A cocktail room license authorizes on-sale of distilled liquor produced by the distiller for consumption on the premises of or adjacent to one distillery location owned by the distiller. No more than one cocktail room license may be issued to a distiller and a cocktail room license may not be issued to any person having an ownership interest in a distillery licensed under M.S. § 340A.301 subd. 6(a). No single entity may hold both a cocktail room and a brewer taproom license. A cocktail room and brewer taproom may not be co-located. Within ten days of the issuance of a cocktail room license, the city shall inform the commissioner of public safety of the licensee's name and address and trade name, and the effective date and expiration date of the license.

(B) Off-sale license authorized. An off-sale license may be issued to the holder of a state microdistillery license if at least 50 percent of the annual production of the licensee is processed and distilled on premises. An off-sale license issued under this section authorizes off-sale of one 375 milliliter bottle per customer per day of product manufactured on-site; provided, however, that the product is also available for distribution to wholesalers.

(C) Temporary on-sale. A temporary on-sale intoxicating liquor license may be issued to the holder of a state microdistillery license. A temporary on-sale license issued under this section authorizes on-sale of intoxicating liquor in connection with a social event within the city sponsored by the microdistillery.

Section 5. Publication by Summary. The city council determines that publication of the title and summary of this ordinance would clearly inform the public of the intent and effect of the ordinance and therefore directs City staff to prepare a summary to be printed in the official City newspaper in lieu of the complete ordinance.

Section 6. Effective Date. This ordinance shall be in force and effect upon adoption and publication in the official newspaper of the City in accordance with applicable law.

Adopted in regular session of the City Council of the City of Shakopee, Minnesota, held this 19th day of February, 2019.

ATTEST:

Mayor of the City of Shakopee

City Clerk