December 12, 2005

Non-licensed retailers and interested parties,

The Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division has dealt with an ever increasing number of inquiries and complaints regarding unlicensed businesses and venues dispensing alcoholic beverages to the public. In an effort to deal with the large volume of calls this division receives concerning such happenings, this notice is being provided to help clarify who may dispense alcoholic beverages.

A majority of the complaints are met with the response, "We’re not charging the customer for the alcohol, we’re giving it away." However, simply having the alcohol at the business may be a violation of state law.

MN statute 340A.401 states, "…no person may directly or indirectly, on any pretense or by any other device, sell, barter, keep for sale, charge for possession, or otherwise dispose of alcoholic beverages as part of a commercial transaction without having obtained the required license or permit." Furthermore, MN statute 340A.414 states, "No business establishment or club which does not hold an on-sale intoxicating liquor license may directly or indirectly allow the consumption and display of alcoholic beverages, without first having obtained a permit from the commissioner."

By statute, liquor licenses are issued to a relatively small group of business types which meet the definition of a hotel, restaurant, bowling center, club or theater. Typically, facilities such as, but not limited to, spas, hair salons, jewelry stores, book stores and clothing stores would not qualify for an on-sale liquor license. Thus, the dispensing or display of alcoholic beverages in such a business setting, without the proper license or permit may subject the business owner and employees to criminal charges, as well as liability issues.

If you have questions as to your business qualifying for an on-sale liquor license you may review MN Liquor Chapter 340A by clicking on the following link, www.revisor.leg.state.mn.us/stats/340A , telephoning Alcohol and Gambling Enforcement at 651-201-7507 or contacting your local city or county issuing authority.