

LIQUOR LICENSES IN TOWNS

While townships do not issue liquor licenses, township boards have some control over whether retail liquor licenses can be issued within the township and conditions that may be placed on the licensee by the county. This resource will discuss the types of liquor licenses available and the powers provided to township boards related to liquor licenses.

I. TYPES OF LIQUOR LICENSES

It's important to remember that townships do not issue liquor licenses, only the counties may issue liquor licenses within townships.¹ No one may sell alcohol without a license,² but the license issued may take one of several forms, including:

- (1) off-sale or on-sale non-intoxicating malt liquor license;³
- (2) temporary on-sale non-intoxicating malt liquor license;⁴
- (3) annual on-sale intoxicating liquor license;⁵
- (4) seasonal on-sale intoxicating liquor license;⁶
- (5) temporary on-sale intoxicating liquor license;⁷
- (6) off-sale intoxicating liquor license;⁸
- (7) combination off-sale and on-sale intoxicating liquor license;⁹ or
- (8) consumption and display permits.¹⁰

¹ Minn. Stat. § 340A.405, subd. 3.

² Minn. Stat. § 340A.401.

³ Minn. Stat. § 340A.403, subd. 1.

⁴ Minn. Stat. § 340A.403, subd. 2.

⁵ Minn. Stat. § 340A.404, subd. 6(a).

⁶ Minn. Stat. § 340A.404, subd. 6(b).

⁷ Minn. Stat. § 340A.404, subd. 10.

⁸ Minn. Stat. § 340A.405, subd. 2(a) & (b).

⁹ Minn. Stat. § 340A.405, subd. 2(c).

¹⁰ Minn. Stat. § 340A.414.

II. TOWN BOARD CONSENT & REFERENDUMS

A. Town Board Consent Required

A county may not issue a retail license to sell any alcoholic beverages within a town unless the town board consents to the issuance.¹¹ Retail includes any sale for consumption.¹² This means it is possible for a town to prohibit the sale of alcoholic beverages within the town by refusing to consent to the licenses.

There are other restrictions on a county's issue of liquor licenses as well. For example, a county containing an urban town may not issue an off-sale license to an exclusive liquor store and a county that contains a non-urban town may not issue a combination off-sale and on-sale license, unless the town board adopts a resolution supporting the issuance of the license.¹³ Additionally, a county may not issue an off-sale intoxicating liquor license unless a public hearing is held on the issue.¹⁴

B. Referendum

In all but one instance, a vote of the town electors is *not* required before the board decides whether to consent to a license. The exception is the general vote on the issue of on-sale Sunday sales liquor licenses.¹⁵ A county may not issue an on-sale Sunday sales intoxicating liquor license to establishments in a town unless the electors have authorized it to do so. The question of authorization must be submitted by ballot to the electors at the town election.¹⁶ A special election may *not* be called to ask this question.

If a majority of those voting vote yes, general authorization exists for the county to issue on-sale Sunday sales licenses. However, because it is a retail license, consent by the town board would still be required for each license. Once elector authorization is given, subsequent license requests are not submitted to a vote of the people.



Sample Ballot Language

“Shall the county be permitted to issue Sunday sales intoxicating liquor licenses to establishments within the town?”

III. LICENSE FEES

A town board may impose a retail liquor license fees as allowed by statute.¹⁷ While town boards are not directly involved in setting the county's fees, they are authorized to impose additional fees on a license. The fees received by the town, among other things, help to defray the cost of the additional burdens the licensed establishment may impose on the town (e.g., increased road maintenance needs).

¹¹ Minn. Stat. § 340A.410, subd. 1.

¹² Minn. Stat. § 340A.101, subd. 26.

¹³ Minn. Stat. § 340A.405, subd. 2(a) & (b).

¹⁴ Minn. Stat. § 340A.405, subd. 2(d).

¹⁵ Minn. Stat. § 340A.504, subd. 3(d) & (e).

¹⁶ Minn. Stat. § 340A.504, subd. 3(d)

¹⁷ Minn. Stat. § 340A.408.

A. On-sale and Off-Sale Intoxicating Liquor Licenses

A town board may impose an additional license fee on each on-sale intoxicating liquor licensed establishment in the town of up to 20 percent of the county license.¹⁸ The imposition of the additional fee should be by resolution and must be preceded by notice and a hearing. A town board may also impose an additional fee of up to 20 percent of the county license fee on off-sale intoxicating liquor licenses.¹⁹ A \$800 cap is imposed on off-sale intoxicating liquor licenses issued by a county.²⁰ It appears the \$800 cap may be exceeded to allow the additional fee imposed by the township.

B. Non-intoxicating Malt Liquor Licenses

The license fee for on-sale and off-sale 3.2 percent malt liquor licenses is set by the county.²¹ The county is required to pay the town board one-half of the fee it receives from such licenses issued in the town.²² Because the town receives one-half of the county's fee, the town cannot impose an additional fee on non-intoxicating liquor licenses.

C. Increasing a Fee

A county, city, or town may not increase the fee for a retail liquor license unless it provides notice to the affected owners and holds a hearing.²³ The notice must be mailed to all the affected owners at least 30 days before the hearing.

A town board wishing to impose an additional license fee should do so by resolution. Furthermore, it should coordinate the holding of the hearing with the county.

¹⁸ Minn. Stat. § 340A.408, subd. 2(d).

¹⁹ Minn. Stat. § 340A.405, subd. 2(f).

²⁰ Minn. Stat. § 340A.408, subd. 3(b).

²¹ Minn. Stat. § 340A.408, subd. 1(a).

²² Minn. Stat. § 340A.408, subd. 1(b).

²³ Minn. Stat. § 340A.408, subd. 3a.