Department of Safety and Inspections

Proposed Ordinance Amendment Related to Consumption and Display Permits

The Department of Safety and Inspections (DSI) proposes amending Saint Paul City Ordinance 409 to expressly disallow the issuance of Consumption and Display permits. DSI views this as a housekeeping amendment related to the work that was completed by the City around 1995. During that time a number of ordinances were enacted to protect neighborhoods from the negative impacts of liquor serving establishments.

Consumption and Display permits are issued by the state, pursuant to state statute. They permit unlicensed private businesses to allow patrons to drink on-premises. Per state statute, the local municipal or county government must sign off on any request for a Consumption and Display permit before such a permit may be issued. DSI's current practice is to not to sign off on State Consumption and Display Permit applications. The City Attorney's Office has recommended that the City Council review this issue, and, if deemed appropriate, amend ordinance to reflect this long-standing policy.

The proposed ordinance amendment is based on the following:

- Due to liquor impact issues on neighborhoods, around 1995 the City of Saint Paul moved to not allow on-sale liquor club licenses outside of commercial development districts.
- There are no Display and Consumption permits currently issued in the City.
- Historic demand for Display and Consumption permits is negligible – DSI staff is aware of only one request in the past 30 years (post Chapter 404 repeal). All Private Club licenses issued under 404 were reassigned as On-Sale Liquor Club licenses under Chapter 409.02
- When appropriate, rather than signing off on State Display and Consumption permits, DSI has issued On-Sale Liquor Club licenses or Temporary On-Sale Liquor licenses for special fund raising events under Chapter 409.025 and State Statute 340A.
- The intent of City's regulatory framework is that non-private alcohol consumption should only take place in businesses licensed for on-sale liquor service. Recent Charter and Ordinance amendments increased these licensed opportunities.
- Consumption and Display permits are very difficult to regulate; reasons include:
    - They are State issued;
    - The intertwined nature of operations within establishments with permits.
- Other neighboring municipalities have enacted ordinances not allowing Display and Consumption permits; including:
    - West St. Paul
    - Minneapolis - in 1995 - cited the following reasons:

- Increasing tendency to use in conjunction with food establishments not having licenses to sell intoxicating liquors situated in residential areas, and frequented by both adults and children.
- Unlicensed and unregulated consumption of liquor can lead to violations of law, and is detrimental to public health, welfare and morals, and may degenerate into a public nuisance.
- Permits can be used to circumvent the laws regulating the licensing and regulation of liquor establishments, placing liquor establishments in prohibited areas, and avoiding the payment of licensing fees.
- Utilization of such permits may cause inconvenience and annoyance to the public and may be detrimental to the good order, health, morals and welfare of the community as a whole. As the City has no ability to regulate Consumption and Display permits once they have been issued by the state, the City has limited ability to mitigate these possible negative consequences.