

STATE OF MINNESOTA)
) ss.

AFFIDAVIT OF SERVICE BY U.S. MAIL

COUNTY OF RAMSEY)

Riddhi Mistry, being first duly sworn, deposes and says that on nineteenth day of April she served the attached **NOTICE OF INTENT TO REVOKE LICENSE** and a correct copy thereof in an envelope addressed as follows:

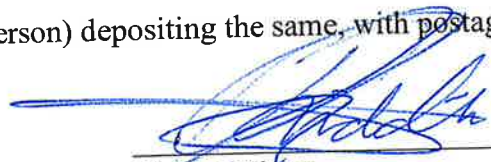
Mounds Liquor Corp
d/b/a Mounds Liquor
1047 Hudson Road
St. Paul, MN 55106
Attn: Maykub Vang

Maykub Vang
1958 Pacific Street
Saint Paul, MN 55106

Craftsmanship First LLC
1920 Central Avenue Northeast Suite 200
Minneapolis, MN 55418-4530


Alexa Golemo, Executive Director,
Edgecumbe Recreation Center
320 Griggs St. S
Saint Paul, MN 55105

(which is the last known address of said person) depositing the same, with postage prepaid, in the United States mail at St. Paul, Minnesota.



Riddhi Mistry

Subscribed and sworn to before me
This nineteenth day of April 2024



Notary Public





April 19, 2024

NOTICE OF INTENT TO REVOKE LICENSE

Mounds Liquor Corp
d/b/a Mounds Liquor
1047 Hudson Road
St. Paul, MN 55106
Attn: Maykub Vang

RE: Liquor Off Sale & Tobacco Shop licenses held by Mounds Liquor Corp d/b/a Mounds Liquor for the premises located at 1047 Hudson Road in Saint Paul
License ID #: 20160003381

Dear Mr. Maykub Vang:

The Department of Safety and Inspections (“Department”) will recommend revocation of the Liquor Off Sale & Tobacco Shop licenses held by Mounds Liquor Corp d/b/a Mounds Liquor for the premises located at 1047 Hudson Road in Saint Paul.

Legal Basis for License Revocation:

Saint Paul Legislative Code § 310.01, states:

“Adverse action means the revocation or suspension of a license, the imposition of conditions upon a license, the denial of an application for the grant, issuance or renewal of a license, the imposition of a fine, the assessment of the costs of a contested hearing, and any other disciplinary or unfavorable action taken with respect to a license, licensee, or applicant for a license. Adverse action includes any of the foregoing directed at one (1) or more licenses held by a licensee at any location in the city. Adverse action also includes disapproval of licenses issued by the state under statutory provisions which permit the governing body to disapprove the issuance of the license.”

Saint Paul Legislative Code § 310.02(2)(a), states, “[n]o applicant will be granted a license or a renewal of a license required by the Saint Paul Legislative Code unless, in addition to any other requirements, rules or ordinances heretofore or hereafter required, the director determines that said applicant has paid all taxes, real or personal, before said taxes become



delinquent, on any property, real or personal, situated within the City of Saint Paul and used in connection with the business operated under said license.

...

If a license is issued or renewed because of the existence of an agreement as described in subsection (a) above, the license may be revoked if the licensee defaults upon such agreement."

Saint Paul Legislative Code § 310.05, explains automatic termination of licenses, stating:

"Automatic termination, reinstatement; responsibility of licensee. All licenses or permits which must, by the provisions of these chapters or other ordinances or laws, be accompanied by the filing and maintenance of insurance policies, deposits, guarantees, bonds or certifications shall automatically terminate on cancellation or withdrawal of said policies, deposits, bonds or certifications. No licensee may continue to operate or perform the licensed activity after such termination. The licensee is liable and responsible for the filing and maintenance of such policies, deposits, guarantees, bonds or certifications as are required in these chapters, and shall not be entitled to assert the acts or omissions of agents, brokers, employees, attorneys or any other persons as a defense or justification for failure to comply with such filing and maintenance requirements. In the event the licensee reinstates and files such policies, bonds or certifications without a lapse within thirty (30) days, the license is automatically reinstated on the same terms and conditions, and for the same period as originally issued. After thirty (30) days, the applicant must apply for a new license as though it were an original application.

If there is a lapse in insurance, the licensee is subject to adverse action in accordance with Saint Paul Legislative Code § 310.05. License is null and void during the lapse."

Minnesota Statute § 340A.409, states, "[n]o retail license may be issued, maintained or renewed unless the applicant demonstrates proof of financial responsibility with regard to liability imposed by section 340A.801. The issuing authority must submit to the commissioner the applicant's proof of financial responsibility. This subdivision does not prohibit a local unit of government from requiring higher insurance or bond coverages, or a larger deposit of cash or securities."

Saint Paul Legislative Code § 409.065, states, "[n]o license under this chapter may be issued, maintained or renewed unless the licensee or applicant therefor complies with the insurance requirements imposed by Minn. Stat. § 340A.409. Such insurance coverage must comply with the requirements of Minn. Stat. § 340A.409 and Chapters 7 and 8 of this Legislative Code."



Saint Paul Legislative Code § 409.05(a), states, “[a]ll licenses for the sale of intoxicating liquor are . . . for a term of one (1) year from the date of issuance or renewal, except as provided herein. The date shall be determined by the inspector and entered upon the license.”

Saint Paul Legislative Code § 409.06(j), states:

“An on-sale license renewal may be denied for any licensee who is delinquent in any payment”.

Factual basis for recommendation to Revoke the Liquor Off Sale & Tobacco Shop licenses:

Your license expired on December 6, 2023, and you have failed to renew your license.

You have also failed to provide any proof that you renewed or obtained a new liquor liability insurance policy.

On January 31, 2024, the Department emailed you at mvang77@hotmail.com letting you know that your licenses were delinquent. You did not respond to that email.

On February 15, 2024, the Department again emailed you at mvang77@hotmail.com stating that your licenses were delinquent since you still owed money for the licenses. You did not respond to that email.

On January 31, 2024, DSI Inspector Luis Sanchez-Panadero visited the Licensed Premises and documented that the property was vacant. It appears that you have closed the business.

On January 31, 2024, a Renewal Invoice was sent to you requesting payment upon receipt. As of this date your license has not been renewed.

Finally, on March 7, 2024, a fax from the Minnesota Department of Revenue was sent to the Department of Safety Inspections. This fax states that you have an overdue debt/or have not filed your tax returns.

Adverse Action Recommendation:



The Department asserts that more than adequate basis exists for its recommendation to revoke your Liquor Off Sale & Tobacco Shop licenses including:

- The licenses held for the Licensed premises have expired.
- You have failed to provide proof that the required insurance for the licensed premises has been renewed.
- You have failed to respond to emails and phone calls regarding your expired licenses.
- You are not operating the Licensed Premises, the Licensed Premise is closed and vacant.
- The Department of Revenue has notified the Department that you have overdue debt or have not filed your tax returns.

You have three (3) options on how to proceed:

1. If I have not heard from you by **April 29, 2023**, I will presume that you have chosen not to contest the proposed adverse action and the matter will be placed on the City Council Agenda for approval of the proposed remedy and revocation of your Liquor Off Sale & Tobacco Shop licenses.
2. If you wish to admit the facts but you contest the penalty, you may have a hearing before the Saint Paul City Council. You will need to send me a letter with a statement admitting to the facts and requesting a public hearing no later than **April 29, 2023**. The matter will then be scheduled before the City Council to determine whether or not your Liquor Off Sale & Tobacco Shop licenses should be revoked. You will have an opportunity to appear before the City Council and make a statement on your own behalf.
3. If you dispute the facts outlined above, you may request a hearing before an Administrative Law Judge ("ALJ"). You will need to send me a letter disputing the facts and requesting an administrative hearing no later than **April 29, 2023**. At that hearing both you and the City will appear and present witnesses, evidence and cross-examine each other's witnesses. After receipt of the ALJ's report (usually within 30 days), a hearing will need to be scheduled before the City Council. At that time, the City Council will decide whether to adopt, modify or reject the ALJ's report and recommendation.

Please note: If you choose an administrative hearing, the Department of Safety and Inspections reserves the right to recommend that City Council impose the costs of the administrative hearing per Saint Paul Legislative Code §310.05 (k).



If you have not contacted me by April 29, 2023, I will assume that you do not contest the Revocation of your Liquor Off Sale & Tobacco Shop licenses. In that case, the matter will be placed on the next available City Council Consent Agenda for approval of the recommended penalty.

If you have questions about these options, please contact my Paralegal, Riddhi Mistry, at (651) 266-8835 or riddhi.mistry@ci.stpaul.mn.us.

Sincerely,

Therese Skarda
Assistant City Attorney
License No. 0402652

Cc: Mounds Liquor Corp d/b/a Mounds Liquor, 1047 Hudson Road, Saint Paul, MN 55106
Maykub Vang, 1958 Pacific Street, Saint Paul, MN 55106
Craftsmanship First LLC, 1920 Central Avenue Northeast Suite 200, Minneapolis, MN 55418-4530
Alexa Golemo, Executive Director, Edgcumbe Recreation Center, 320 Griggs St. S., Saint Paul, MN 55105

Attachment: Notice of Compliance Checks 1/18/2024
Email from the Department sent to mvang77@hotmail.com 1/31/2024
Renewal Invoice sent to Mounds Liquor Corp 1/31/2024
Email from Luis Sanchez-Panadero sent to Department with photos 1/31/2024
Email from the Department sent to mvangg77@hotmail.com 2/15/2024
Fax sent to Department from Minnesota Department of Revenue 3/7/2024
310.03 (m)(2) & (8) – St. Paul, MN Code of Ordinance
310.02 (a)(2), (2)(e)(3)
409.05(a) – St. Paul, MN Code of Ordinance
409.065 – St. Paul, MN Code of Ordinance



SAINT PAUL
CITY ATTORNEY

OFFICE OF THE CITY ATTORNEY
LYNDSEY M. OLSON, CITY ATTORNEY

Civil Division, 15 Kellogg Blvd. West, 400 City Hall
Saint Paul, MN 55102
Tel: 651-266-8710 | Fax: 651-298-5619

CITY OF SAINT PAUL
MELVIN CARTER, MAYOR

STPAUL.GOV

*The Saint Paul City Attorney's Office does not discriminate
based on race, color, national origin, religion, sex/gender, disability, sexual orientation, gender identity, age, or veteran status
in the delivery of services or employment practices.*



SAINT PAUL
SAFETY & INSPECTIONS

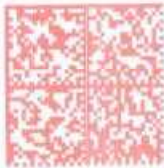
City of Saint Paul
Department of Safety & Inspections (DSI)

375 Jackson Street, Suite 220
Saint Paul, MN 55101-1806

201 60003381
MOUNDS LIQUOR
1047 HUDSON ROAD
ST PAUL, MN 55106-6106

551066106

VAC



quadrant
FIRST-CLASS MAIL
IM1
\$000.63
01/19/2024 ZIP 55101
643M31224113

US POSTAGE

Received

Tobacco

JAN 29 2024

City of Saint Paul - DSI

MIXIE 553 DE 1 0001/25/24
RETURN TO SENDER
VACANT
UNABLE TO FORWARD
RC: 55101180670 60175-01522-20-11

NOTICE OF COMPLIANCE CHECKS



SAINT PAUL
SAFETY & INSPECTIONS

January 18, 2024

20160003381
MOUNDS LIQUOR
1047 HUDSON ROAD
ST PAUL, MN 55106-6106

Tobacco License Holder:

This letter is a reminder that the Department of Safety and Inspections (DSI) is in process of conducting our annual on-site inspections of all city licensed tobacco shops and tobacco products shops to ensure compliance with regulations including but not limited to:

- Minimum pricing and packaging requirements for cigars, cigarettes, and smokeless tobacco
- Prohibition of tobacco product discounts and coupon acceptance
- Prohibition of flavored tobacco at all tobacco shops to include the sale of menthol mint and wintergreen flavors at off-sale liquor stores
- Restrictions of temporary window sign(s) and tobacco displays
- Restriction of customer access to tobacco products within tobacco shops
- **Prohibition of tobacco and tobacco product sales to anyone under 21 years of age.**

Compliance checks may include but are not limited to; DSI Inspectors entering tobacco establishments unannounced in attempt to purchase tobacco products using an underage buyer, inspecting product placement, labeling, creating reports, taking photos and providing education.

Compliance checks may take place at any time during the year. Additional inspections and compliance checks may take place in response to complaints or reports of alleged violations.

It is the responsibility of the license holder to fully understand and comply with ordinance requirements that govern tobacco sales within the City of Saint Paul. Violations discovered during compliance checks and/or complaint inspections will be forwarded to the City Attorney's Office for adverse licensing action, which may result in fines, suspension or revocation.

Additional information can be found on the reverse of this document or you may visit the City of Saint Paul's website at [StPaul.gov](https://www.stpaul.gov), key word search 'tobacco'.

Questions regarding tobacco regulations and inspection procedures can be directed to Inspector Joseph Voyda at phone number **651-266-9014** or by email at joseph.voyda@ci.stpaul.mn.us.

DEPARTMENT OF SAFETY AND INSPECTIONS (DSI)
Angie Wiese, Director

375 Jackson Street, Suite 220
Saint Paul, MN 55101-1806
Tel: 651-266-8989 | Fax: 651-266-9124

Penalties: Sales to an Underage Buyer and Display, possession or sale of flavor tobacco products, chapter 310.03(m)(3) Section (c) of the Saint Paul Legislative Code.

Tobacco presumptive penalties for license holders for violations. Adverse penalties for licensees for violations or convictions shall be presumed as follows;

Type of Violation	1st Appearance	2nd Appearance	3rd Appearance	4th Appearance
(1) Sale to a person under twenty-one (21) years of age	\$500.00 fine	\$1,000.00 fine	\$2,000.00 fine and 7-day suspension	Revocation
(2) Display, possession or multiple incidents of sales of; <ul style="list-style-type: none"> • single cigarettes; • menthol tobacco products; or • flavored tobacco products 	10-day suspension	Revocation		

Per Section 324.01 of the Saint Paul Legislative Code

Sec. 324.01. License Required

(c) No license may be issued pursuant to this chapter for a location or place of sale if a tobacco license previously issued for that location or place of sale has been revoked for any reason other than nonpayment of license fees within the past five (5) years.

Sec. 324.03. Definitions.

(15) *Tobacco license* means either a tobacco shop or a tobacco products shop license.

(16) *Tobacco shop license* means a license issued to a person, firm, or corporation for an establishment that:

- a. May offer for sale licensed products which are accessible to the public only with the intervention of a store employee; and,
- b. May allow persons who are under the age of twenty-one (21) to enter the establishment.

(17) *Tobacco products shop license* means a license issued to a person, firm, or corporation for an establishment that:

- c. Must derive at least ninety (90) percent of its revenue from the sale of licensed products;
- d. **Must prohibit persons who are under the age of twenty-one (21) from entering the establishment;**
- e. Must be accessible only through a door opening directly to the outside; and
- f. Must be staffed by at least one individual solely dedicated to the tobacco products shop during all operating hours.

Sec. 324.07. Sales prohibited.

(l) *Exceptions.*

(3) Retail stores holding a tobacco products shop license are permitted to sell and offer for sale flavored tobacco products.

Joseph Voyda

From: Evans, Jamal (CI-StPaul)
Sent: Thursday, February 15, 2024 7:29 AM
To: mvang77@hotmail.com
Cc: Joseph Voyda
Subject: FW: Delinquent License(s)

Maykub Vang,

It has been brought to our attention that the license issued to "Mounds Liquor" located at, 1047 Hudson Rd. has continued to remain in a delinquent status and is in need of your attention.

If you are no longer operating, please reply all to this email simply stating you want to "cancel the city license(s) issued". This will avoid the matter being referred to the City Attorney's Office for resolution.

Questions regarding this email you may contact Inspector Joseph Voyda copied at phone number 651-266-9014.

Respectfully,



SAINT PAUL
MINNESOTA

Jamal Evans

Department of Safety and Ins

375 Jackson Street Suite 220

[Business Licenses and Permits Website & Information](#)

Joseph Voyda

From: Joseph Voyda
Sent: Wednesday, January 31, 2024 3:42 PM
To: MVANG77@HOTMAIL.COM
Cc: Jeffrey Fischbach
Subject: Delinquent Licenses - 1047 Hudson Road - DBA: Mounds Liquor

Maykub,

It has been brought to my attention that the licenses issued to Mounds Liquor located at, 1047 Hudson Road has continued to remain in a delinquent status and in need of your attention.

If you are no longer operating, please reply all to this email simply stating you want to “cancel the city license(s) issued. This will avoid the matter being referred to the City Attorney’s Office for resolution.

Questions regarding this email you may contact me at phone number 651-266-9014.

Respectfully,



SAINT PAUL
MINNESOTA

Joseph Voyda – Inspector III
License Investigations & Compliance Checks
Department of Safety and Inspections (DSI)
375 Jackson Street, Suite 220
Saint Paul, MN 55101-1806
Tel: 651-266-9014 Fax: 651-266-9124
General Information & Complaints 651-266-8989
[Business Licenses and Permits - Website & Information](#)



**SAINT PAUL
MINNESOTA**

Renewal Invoice

Check this box if making any name, mailing address or phone # corrections. Please write the changes on this form. If your business license address is changing, please request a new business license application.

January 31, 2024

CITY OF SAINT PAUL

Department of Safety and Inspections
375 Jackson Street, Suite 220
Saint Paul, MN 55101-1806
PHONE: (651) 266-8989
FAX: (651) 266-9124
www.stpaul.gov

**MOUNDS LIQUOR CORP
MOUNDS LIQUOR
CONTACT: MAYKUB G VANG
1598 PACIFIC ST
ST PAUL MN 55106**

BUSINESS PHONE: 651-353-6126

Invoice #: 1157123

Invoice Due Date: Upon Receipt

Account Balance: \$3,004.00

Pay this Amount: \$2,443.00

Transaction Description

Transaction Total

Inv: 1154420 160003381 Tobacco Shop Expires: 12/06/2023 @ 1047 HUDSON ROAD	535.00
Inv: 1154420 160003381 Liquor - Off Sale Expires: 12/06/2023	1,500.00
Inv: 1156464 Late Fee 7-30 days late (10%)	204.00
Late Fee 31-60 days late (10%)	204.00

Requirements

Invoice Amount Due: \$2,443.00

Your account is overdue. Please mail payment today!!

Please complete the following information for renewal:

Company & DBA Names (if different than above): _____

Business Phone #s (include fax, cell, & pager if applicable): _____

Applicant Name, Date of Birth, Home Address, & Phone #s: _____

Manager Name, Date of Birth, Address & Phone #s: _____

Liquor is served in the following rooms: _____

Signature & Title of Applicant: _____

*Submit State Workers Comp form.

*State Off Sale intoxicating liquor renewal certificate

*Proof of current liquor liability insurance (expiration must coincide with your license expiration date)

Your Taxpayer Identification is on file. Thank you.

Please give us your email address: _____

Please return this invoice with your payment!

Remit Payment to:

City of Saint Paul Department of Safety and Inspections
375 Jackson Street, Suite 220
Saint Paul, MN 55101-1806

Make Checks Payable to: The City of Saint Paul

Cardholder Signature (required for all charges): _____

****Beginning April 1, 2021, a 2.49% convenience fee will be charged for credit card transactions and will appear as a separate transaction on your card statement. This fee is charged by the service provider the Department of Safety and Inspections uses to handle credit card transactions. The City will not receive any of the convenience fees. **Checks and cash payments will still be accepted at 375 Jackson St., #220.******

IF PAYING BY CREDIT CARD PLEASE COMPLETE THE FOLLOWING INFORMATION:

INVOICE # : 1157123 **CUSTOMER:** MOUNDS LIQUOR CORP

American Express

Discover



4 Digit Verification Number



3 Digit Verification Number

MasterCard

Visa

Security Code:

Expiration Date:

Account Number:

Amount: \$ _____

/

Joseph Voyda

From: Luis Sanchez-Panadero
Sent: Wednesday, January 31, 2024 3:14 PM
To: Joseph Voyda
Subject: 1047 Hudson Rd: Mounds Liquor and Liquor Liquidator Inc
Attachments: 20240131143556343.pdf; IMG_1003.JPG; IMG_1004.JPG

Joe,

Please see the attached photos showing that the building is vacant. Mounds Liquor (license id 20160003381) is a delinquent license. Liquor Liquidator has a pending license (id 20230001888) that appears to have had no progress since November. Some additional notes are as follows:

Last Eclipse Note: 11/14/2023 Per email from lic. app. 11/8 is on vacation and will address application requirements when return. Recheck 01/16/2024. JWF

Liquor Liquidators Website: [Buy discount liquor and wine online at the best price \(liquorliquidators.com\)](https://www.liquorliquidators.com) website says this page is for sale?

The image shows a black rectangular banner with the words "LIQUOR LIQUIDATORS" in a bold, white, sans-serif font. The text is positioned in the upper right corner of the banner.

Secretary of State has the same address as the applicant's mail-to address. This address is for a real estate business called "Real Estate Liquidator", which is what is written on the pad lock, seen in my photo.

Minnesota Business Name
Liquor Liquidator, Inc

Business Type

Business Corporation (Domestic)

File Number

4150250-2

Filing Date

01/25/2011

Renewal Due Date

12/31/2024

Best,

Luis

Luis Sanchez-Panadero

Pronouns: he/him/his

DSI Inspector I

Department of Safety and Inspections

375 Jackson Street, Suite 220

Saint Paul, MN 55101

P: 651-266-9016

Luis.sanchez-panadero@ci.stpaul.mn.us



SAINT PAUL
MINNESOTA

MOUNDS LIQUOR

MONDAY	10AM - 9PM
TUESDAY	10AM - 9PM
WEDNESDAY	10AM - 9PM
THURSDAY	10AM - 9PM
FRIDAY	10AM - 9PM
SATURDAY	10AM - 9PM
SUNDAY	11AM - 6PM

WE SELL
YOU MUST BE
21 YEARS
OLD TO ENTER

PULL

Small white sticker with illegible text.



Real Estate
Liquidators
**Master
Lock**



February 1, 2024

ID: XX-XXX3050
Letter ID: L1562689440

#BWBBMRR
#0000 0156 2689 4404#
DEPARTMENT OF SAFETY & INSPECTION
375 JACKSON ST STE 220
SAINT PAUL MN 55101-1806

Do not issue, renew, or transfer this license

The following taxpayer has an overdue debt or has not filed their tax returns. Under Minnesota law, you may not issue, renew, or transfer the following license until you receive a clearance certificate from the Minnesota Department of Revenue.

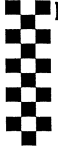
License authority: St. Paul
License holder: Mounds Liquor Cor
License type: Off Sale City Issued
License number: 63371
License expiration: December 6, 2023

We will send you a clearance certificate when the issue has been resolved.

Please contact us if you have any questions.

Contact information

Alexandra Wappelhorst Leitgeb
Phone: 218-365-8336 or 1-800-657-3909 (toll-free)
Email: mdor.collection@state.mn.us
Fax: 651-556-5116



Fax

Date: 3/7/2024 2:52:50 PM

Number of Pages: 2

To Name Eric
 Organization
 Phone Number
 Fax Number 6512669124

From Name Alexandra Wappelhorst - Leitgeb
 Organization Minnesota Department of Revenue
 Phone Number
 Fax Number 651-556-5116

Message

CONFIDENTIALITY NOTICE

This fax may contain private or nonpublic information. Any unauthorized disclosure, copying, distribution or other use of information is strictly prohibited and may result in civil or criminal penalty under state and federal laws. If you have received this fax in error, please call us immediately.

Sec. 409.05. On- and off-sale licenses; term; fees.

- (a) *Term.* All licenses for the sale of intoxicating liquor are be for a term of one (1) year from the date of issuance or renewal, except as provided herein. The date shall be determined by the inspector and entered upon the license.

\$500 Fine

Sec. 409.065. Insurance requirements.

No license under this chapter may be issued, maintained or renewed unless the licensee or applicant therefor complies with the insurance requirements imposed by Minn. Stat. § 340A.409. Such insurance coverage must comply with the requirements of Minn. Stat. § 340A.409 and Chapters 7 and 8 of this Legislative Code.

\$500 Fine/Suspension

Sec. 310.02. - Uniform Procedures for Application for the Grant or Issuance of the License, New Application Investigation and Review, Application Denial, Notice, Levels of Approval, Objections and Renewal Procedures by License Type.

(2)(a) 2. *Taxes.* No applicant will be granted a License or a renewal of a License required by the Saint Paul Legislative Code unless, in addition to any other requirements, rules or ordinances heretofore or hereafter required, the Director determines that said Applicant has paid all taxes, real or personal, before said taxes become delinquent, on any property, real or personal, situated within the City of Saint Paul and used in connection with the business operated under said License.

\$500 Fine

(2)(e) 3. *Revocation or suspension.* If the Director determines that the application for renewal does not meet all of the requirements of law or that there exist grounds for revocation or suspension of a Class N License, the Director must follow the hearing procedures as outlined in Saint Paul Legislative Code Section 310.03.

Suspension Until Requirements are met

Sec. 310.03. Hearing procedures.

(m)(2) \$500 Fine & (8) Revocation or Suspension

340A.409 LIABILITY INSURANCE.

Subdivision 1. **Insurance required.** (a) No retail license may be issued, maintained or renewed unless the applicant demonstrates proof of financial responsibility with regard to liability imposed by section 340A.801. The issuing authority must submit to the commissioner the applicant's proof of financial responsibility. This subdivision does not prohibit a local unit of government from requiring higher insurance or bond coverages, or a larger deposit of cash or securities. The minimum requirement for proof of financial responsibility may be given by filing:

(1) a certificate that there is in effect for the license period an insurance policy issued by an insurer required to be licensed under section 60A.07, subdivision 4, or by an insurer recognized as an eligible surplus lines carrier pursuant to section 60A.206 or pool providing at least \$50,000 of coverage because of bodily injury to any one person in any one occurrence, \$100,000 because of bodily injury to two or more persons in any one occurrence, \$10,000 because of injury to or destruction of property of others in any one occurrence, \$50,000 for loss of means of support of any one person in any one occurrence, \$100,000 for loss of means of support of two or more persons in any one occurrence, \$50,000 for other pecuniary loss of any one person in any one occurrence, and \$100,000 for other pecuniary loss of two or more persons in any one occurrence;

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

(3) a certificate of the commissioner of management and budget that the licensee has deposited with the commissioner of management and budget \$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.

(b) This subdivision does not prohibit an insurer from providing the coverage required by this subdivision in combination with other insurance coverage.

(c) An annual aggregate policy limit for dram shop insurance of not less than \$310,000 per policy year may be included in the policy provisions.

(d) A liability insurance policy required by this section must provide that it may not be canceled for:

(1) any cause, except for nonpayment of premium, by either the insured or the insurer unless the canceling party has first given 60 days' notice in writing to the insured of intent to cancel the policy; and

(2) nonpayment of premium unless the canceling party has first given ten days' notice in writing to the insured of intent to cancel the policy.

(e) In the event of a policy cancellation, the insurer will send notice to the issuing authority at the same time that a cancellation request is received from or a notice is sent to the insured.

(f) All insurance policies which provide coverage with regard to any liability imposed by section 340A.801 must contain at least the minimum coverage required by this section.

Subd. 2. **Market assistance.** The market assistance plan of the Minnesota Joint Underwriting Association shall assist licensees in obtaining insurance coverage.

Subd. 3. **Minnesota Joint Underwriting Association.** (a) The Minnesota Joint Underwriting Association shall provide coverage required by subdivision 1 to persons rejected under this subdivision.

(b) A liquor vendor shall be denied or terminated from coverage through the Minnesota Joint Underwriting Association if the liquor vendor disregards safety standards, laws, rules, or ordinances pertaining to the offer, sale, or other distribution of liquor.

Subd. 3a. **Notification by insurer of status of claim.** Upon the request of the insured, an insurer who is providing coverage required by subdivision 1 shall inform the insured of the status of any claims made under the policy. The information must include:

- (1) the employees of the insured that may be involved and the nature of their involvement;
- (2) any amount the insurer is holding in reserve for payment of a claim or has paid in the disposition of the claim; and
- (3) any amount paid in the defense of the claim.

This subdivision does not require disclosure of otherwise nondiscoverable information to an adverse party in litigation.

Subd. 4. **Insurance not required.** Subdivision 1 does not apply to licensees who by affidavit establish that:

- (1) they are on-sale 3.2 percent malt liquor licensees with sales of less than \$25,000 of 3.2 percent malt liquor for the preceding year;
- (2) they are off-sale 3.2 percent malt liquor licensees with sales of less than \$50,000 of 3.2 percent malt liquor for the preceding year;
- (3) they are holders of on-sale wine licenses with sales of less than \$25,000 for wine for the preceding year;
- (4) they are holders of temporary wine licenses issued under law; or
- (5) they are wholesalers who donate wine to an organization for a wine tasting conducted under section 340A.418 or 340A.419.

History: 1985 c 200 s 2; 1985 c 305 art 6 s 9; 1985 c 309 s 7-9; 1Sp1985 c 16 art 2 s 3 subd 1; 1Sp1986 c 3 art 1 s 38; 1987 c 107 s 1; 1987 c 152 art 1 s 1; 1988 c 534 s 1; 1991 c 249 s 31; 1994 c 485 s 61,62; 1997 c 129 art 1 s 5,6; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109; 2010 c 255 s 4,5; 2010 c 384 s 96; 2017 c 40 art 1 s 110

Sec. 310.02. - Uniform procedures for application for the grant or issuance of the license, new application investigation and review, application denial, notice, levels of approval, objections and renewal procedures by license type.

1) *Class R Licenses.*

(a) *Application.*

1. *Form.* All applicants for a Class R License issued pursuant to these chapters must make both original and renewal applications to the director on such forms as are provided by the department. Such applications will not be received by the director until the director deems the application meets the substantially complete criteria. Subsequently, issuance of a license cannot occur until insurance policies, 01s, deposits, sureties, and indemnifications or certificates required by these chapters, together with the certification required in paragraph 2 below, are received and approved.
2. *Taxes.* No applicant will be granted a license or a renewal of a license required by the Saint Paul Legislative Code unless, in addition to any other requirements, rules or ordinances heretofore or hereafter required, the director determines that said applicant has paid all taxes, real or personal, before said taxes become delinquent, on any property, real or personal, situated within the City of Saint Paul and used in connection with the business operated under said license.
3. Notwithstanding the previous paragraph, the council or the director may issue or renew a license if it is found that:
 - (a) The applicant has made an agreement satisfactory to the Ramsey County Attorney to pay delinquent taxes in periodic installments;
 - (b) The applicant has properly commenced a proceeding to contest the amount of tax due or the valuation of their property, and has made all partial payments required by law in connection with such proceeding; or
 - (c) The business property with respect to which taxes are delinquent is not owned by the applicant, but by a lessor, and it would be inequitable to require the lessee to pay such taxes.

If a license is issued or renewed because of the existence of an agreement as described in subsection (a) above, the license may be revoked if the licensee defaults upon such agreement.

4. *Additional information.* the director will prescribe the information required to be submitted by each applicant in their application, in addition to that required by specific sections in these chapters, as may be necessary to carry out and enforce any provision hereunder. The director will require in every case the applicant to submit their name;

business or corporate name; names of partners, officers, directors, shareholders, or trustees involved in the business; age; address; description or blueprint of the premises, if any, and the owner thereof, and locations and addresses of other business locations in Minnesota.

5. *No reapplication within one (1) year after denial or revocation.* Unless an applicant is claiming evidence of rehabilitation as outlined in Minn. Stats. § 364.03, subd. 3, no applicant may apply for any license within one (1) year of the denial or revocation of the same or similar license by the city council, if such denial or revocation was based solely or partially upon misconduct or unfitness of the applicant, evidence of violations of law involving licensed premises, evidence that the applicant had been involved in the operation of a nuisance, or fraud or deception in the license application. A license is "similar," within the meaning of this paragraph, if the basis upon which the revocation or denial of the original license was made would have been a relevant basis on which to deny or revoke a license of the type subsequently applied for.
 6. *Reapplication after denial; "interest" of applicant in revoked license.* An application by a person having an interest in, or whose shareholders or officers have an interest in, any premises or enterprise whose license has been revoked or to which a license has been denied will be treated as an application by the person whose license was denied or revoked. The term "interest," as used in this paragraph, includes any pecuniary interest in the ownership, operation, management or profits of an establishment, but does not include: bona fide loans; bona fide rental agreements; bona fide open accounts or other obligations held with or without security arising out of the ordinary and regular course of business of selling or leasing merchandise, fixtures or supplies to such establishment; an interest in a corporation owning or operating a hotel but having at least one hundred fifty (150) or more rental units holding a license in conjunction therewith; or ten (10) percent or less interest in any other corporation holding a license.
 7. *Prohibition on reapplication; exception.* The prohibition on reapplication herein provided will not apply in cases where it is otherwise expressly provided by statute or ordinance.
- (b) *New application investigation and review.* the director will determine the sufficiency and accuracy of each new application and obtain such criminal history information as may be used under Minn. Stats., chapter 364, and is otherwise available by law. The director will make reasonable and appropriate investigation of the premises or personal property, vehicles, or facilities, involved in or related to the licensed activity, and will request, where appropriate, the assistance of DSI divisions and other city divisions or departments in making additional investigations for the purpose of determining whether the applicant is or will be in compliance with all applicable ordinances and statutes. The approval of such other divisions or departments is not required for issuance of a license unless otherwise required by specific sections in these chapters. All new applications will be reviewed by the zoning administrator

or their designee for compliance with all requirements of the Saint Paul Zoning Code, and no new license will be granted without full compliance with said requirements. All new applications involving a premise, location, building or structure will be reviewed by the building official or their designee for investigation and recommendation.

(c) *Application denial.*

1. Denial of a Class R License application is adverse action and the procedures for notice and hearing outlined in Saint Paul Legislative Code Section 310.03 must be followed.

(d) *Notice.*

1. Upon verification that an application for a Class R License is substantially complete, the notification requirements outlined in ENS Chapter A-11(11)(c) must be followed and the required ENS notice must be provided within two (2) public business days.

(e) *Levels of approval:*

1. *Approval recommended without conditions.* Where an application for the grant, issuance or renewal of a Class R License meets all the requirements of law, and there exists no grounds for denial, revocation or suspension of, or the imposition of conditions upon, such license, the director must grant, issue, or renew said license in accordance with the application.
2. *Approval recommended with conditions.* If upon review of an application for the grant, issuance, or renewal of a Class R License the director determines that there exist grounds for imposition of conditions, the director must provide the applicant or licensee notice and an opportunity to be heard in accordance with section 310.03.
3. If the prospective licensee does not object to the proposed conditions, the director will request that the matter be placed on the council consent agenda. The director shall notify the prospective licensee.
4. If the prospective licensee objects to the conditions proposed by the director, the director must follow the hearing procedures outlined in Saint Paul Legislative Code Section 310.03 and refer the matter to a hearing examiner.
5. *Revocation or suspension.* If the director determines that the renewal application for the renewal of a license does not meet all of the requirements of law or that there exist grounds for revocation or suspension of a Class R License the director will follow the hearing procedures as outlined in Saint Paul Legislative Code Section 310.03.

(f) *Objections.* An appeal to the city council may be taken by any person aggrieved by the grant, issuance, or renewal of a Class R License provided that:

1. The appeal must be filed with the city clerk within thirty (30) days after the action by the director.

2. The only grounds for appeal will be that there has been an error of law in the grant, issuance, or renewal of the license.
3. The appeal will be in writing and will set forth in particular the alleged errors of law.
4. The council will conduct a public hearing on the appeal within thirty (30) days of the date of filing and will notify the licensee and the appellant at least ten (10) days prior to the hearing date.
5. The procedures set forth in section 310.03, insofar as is practicable, will apply to this hearing. Following the hearing, the council may affirm or remand the matter to the director, may reverse the director's decision, or place conditions upon the license based on the council's determination that the director's decision was based on an error of law.
6. The filing of an appeal will not stay the issuance of the license.

(g) *Renewal procedures.*

1. Class R Licenses may be automatically renewed by the director.
2. No waiver by renewal. The renewal of a Class R License will not be deemed to be a waiver of any past violations or of any grounds for imposition of adverse action against such license.

2) *Class N Licenses.*

(a) *Application.*

1. *Form.* All applicants for a Class N License issued pursuant to these chapters will make both original and renewal applications to the director on such forms as are provided by the department. Such applications will not be received by the director until the director deems the application meets the substantially complete criteria. Subsequently, issuance of a license cannot occur until insurance policies, bonds, deposits, sureties, and indemnifications or certificates required by these chapters, together with the certification required in paragraph 2 below are received and approved.
2. *Taxes.* No applicant will be granted a license or a renewal of a license required by the Saint Paul Legislative Code unless, in addition to any other requirements, rules or ordinances heretofore or hereafter required, the director determines that said applicant has paid all taxes, real or personal, before said taxes become delinquent, on any property, real or personal, situated within the City of Saint Paul and used in connection with the business operated under said license.
3. Notwithstanding the previous paragraph, the council or the director may issue or renew a license if it is found that:
 - (a) The applicant has made an agreement satisfactory to the Ramsey County Attorney to pay delinquent taxes in periodic installments;

- (b) The applicant has properly commenced a proceeding to contest the amount of tax due or the valuation of their property, and has made all partial payments required by law in connection with such proceeding; or
- (c) The business property with respect to which taxes are delinquent is not owned by the applicant, but by a lessor, and it would be inequitable to require the lessee to pay such taxes.

If a license is issued or renewed because of the existence of an agreement as described in subsection (a) above, the license may be revoked if the licensee defaults upon such agreement.

4. *Additional information.* the director will prescribe the information required to be submitted by each applicant in their application, in addition to that required by specific sections in these chapters, as may be necessary to carry out and enforce any provision hereunder. The director will require in every case the applicant to submit their name; business or corporate name; names of partners, officers, directors, shareholders, or trustees involved in the business; age; address; description or blueprint of the premises, if any, and the owner thereof, and locations and addresses of other business locations in Minnesota.
5. *No reapplication within one (1) year after denial or revocation.* Unless an applicant is claiming that they have evidence of rehabilitation as outlined in Minn. Stats. § 364.03, subd. 3, no applicant may apply for any license within one (1) year of the denial or revocation of the same or similar license by the city council, if such denial or revocation was based solely or partially upon misconduct or unfitness of the applicant, evidence of violations of law involving licensed premises, evidence that the applicant had been involved in the operation of a nuisance, or fraud or deception in the license application. A license is "similar," within the meaning of this paragraph, if the basis upon which the revocation or denial of the original license was made would have been a relevant basis on which to deny or revoke a license of the type subsequently applied for.
6. *Reapplication after denial; "interest" of applicant in revoked license.* An application by a person having an interest in, or whose shareholders or officers have an interest in, any premises or enterprise whose license has been revoked or to which a license has been denied will be treated as an application by the person whose license was denied or revoked. The term "interest," as used in this paragraph, includes any pecuniary interest in the ownership, operation, management or profits of an establishment, but does not include: bona fide loans; bona fide rental agreements; bona fide open accounts or other obligations held with or without security arising out of the ordinary and regular course of business of selling or leasing merchandise, fixtures or supplies to such establishment; an

interest in a corporation owning or operating a hotel but having at least one hundred fifty (150) or more rental units holding a license in conjunction therewith; or ten (10) percent or less interest in any other corporation holding a license.

7. *Prohibition on reapplication; exception.* The prohibition on reapplication herein provided will not apply in cases where it is otherwise expressly provided by statute or ordinance.

(b) *New application investigation and review.* the director will determine the sufficiency and accuracy of each new application and obtain such criminal history information as may be used under Minn. Stats., chapter 364, and is otherwise available by law. The director will make reasonable and appropriate investigation of the premises or personal property, vehicles, or facilities, as may be involved in or related to the licensed activity, and will request, where appropriate, the assistance of DSI divisions and other city divisions or departments in making additional investigations for the purpose of determining whether the applicant is or will be in compliance with all applicable ordinances and statutes. The approval of such other divisions or departments is not required for issuance of a license unless otherwise required by specific sections in these chapters. All new applications will be reviewed by the zoning administrator or their designee for compliance with all requirements of the Saint Paul Zoning Code, and no new license will be granted without full compliance with said requirements. All new applications involving a premise, location, building or structure will be reviewed by the building official or their designee and inspections for investigation and recommendation.

1. *Verification of Class N License District Council Notification Form.* the director must take reasonable efforts to ensure that the district council has notified the department by email that the Class N License District Council Notification Form has been received.

(c) *Application denial.*

1. Denial of a Class N License application is adverse action and the procedures for notice and hearing outlined in Saint Paul Legislative Code Section 310.03 must be followed.

(d) *Notice.*

1. Upon receipt of an application for a Class N License, the notification requirements outlined in ENS Chapter A-11(11)(c) must be followed.

The application must then be reviewed and once the director deems the application fully reviewed as required by these chapters and makes a recommendation, both the notice requirements outlined in ENS Chapter A-11 (14) and the required mailing must be provided. Notices must describe the license application received, staff recommendations (e.g., any conditions) and the process for public comment and objections.

(a) Required mailing. The director must notify by mail all owners and occupants who own property or reside within three hundred fifty (350) feet of the establishment to which the license is to be issued, of any such application, said three hundred fifty (350) feet

being calculated and computed as the distance measured in a straight line from the property line of the building where the prospective license will be located to the property line owned, leased or under the control of the resident and owners of the existence of an application and set the deadline for public comment at least fifteen (15) days after the date of mailing. The director must submit to the council a list of the names and addresses of each person or organization to whom notice was sent, and certification of such list by the director will be conclusive evidence of such notice and such notice will be attached to the resolution before council.

- (b) The failure to give mailed notice to owners or occupants residing within three hundred fifty (350) feet, or to community organizations, or defects in the notice, does not invalidate the council approval provided a bona fide attempt to comply with this section has been made. A bona fide attempt is evidenced by a notice addressed to "owner" and to "occupant" of the listed address. Only one (1) notice need be mailed to each house or each rental unit within a multiple-family dwelling regardless of the number of occupants.
- (c) *Notice requirement not applicable in downtown business district.* The notification requirements of this section shall not be applicable where the license is to be transferred to a place located within the downtown business district. For purposes of this section, downtown business district shall include all that portion of the City of Saint Paul lying within and bounded by the following streets: Beginning at the intersection of Shepard Road with Chestnut Street, Chestnut Street to Interstate Freeway 35E, Interstate Freeway 35E to Tenth Street, Tenth Street to Interstate Freeway 94, Interstate Freeway 94 to Lafayette Bridge, Lafayette Bridge to where the bridge crosses over Warner Road, Warner Road to the Wabasha Bridge, the Wabasha Bridge across the Mississippi River to the water line on the south bank of the river, thence in a westerly direction along the shore line to the point at which it intersects with "Line A," and then in a straight line across the Mississippi River to the intersection of Chestnut Street with Shepard Road. The location and legal description of "Line A" is indicated on the map attached hereto and incorporated and adopted herein by reference.
- (e) *Levels of Approval.*
 1. *Approval with or without conditions.* All Class N Licenses require council approval. If there are no conditions or the prospective licensee does not object to the proposed conditions, the director will request that the matter be placed on the council consent agenda. The director will notify the prospective licensee.
 - 2.

If the prospective licensee objects to the conditions proposed by the director and/or the conditions added by the legislative hearing officer after a hearing, the director must follow the hearing procedures as outlined in Saint Paul Legislative Code Section 310.03 and refer the matter to a hearing examiner.

3. *Revocation or suspension.* If the director determines that the application for renewal does not meet all of the requirements of law or that there exist grounds for revocation or suspension of a Class N License, the director must follow the hearing procedures as outlined in Saint Paul Legislative Code Section 310.03.

(f) *Objections.* If the director is recommending issuance of the Class N License, but the affected neighborhood organization(s) or other interested persons give notice within the fifteen (15) day period for public comment of objection to issuance of the license, the director must refer the matter for a hearing before the legislative hearing officer.

a. The legislative hearing officer will set a hearing date and give notice of the time, place, and date of the hearing to the affected neighborhood organizations(s) and the applicant.

b. At the hearing, the legislative hearing officer will take testimony from all interested persons.

c. If the applicant cannot agree with license conditions suggested by the legislative hearing officer, the legislative hearing officer will make a recommendation to the council as to whether the matter should be referred for a hearing before an independent hearing examiner in accordance with the procedures set forth in section 310.03.

d. After the legislative hearing, the legislative hearing officer must prepare a report and recommendations for council and set the matter on the council consent agenda.

If no objections are received, the legislative hearing officer will notify the director and have the matter placed on the council consent agenda. The director will notify the applicant and the affected neighborhood organizations established for citizen participation purposes of the placement of the application on the council agenda.

(g) *Renewal procedures.*

1. *Renewal procedures.* Class N Licenses may be automatically renewed by the director.

2. *No waiver by renewal.* The renewal of a Class N License will not be deemed to be a waiver of any past violations or of any grounds for imposition of adverse action against such license.

3) *Class T Licenses (Temporary).*

(a) *Application.*

1.

Form. All applicants for a Class T License issued pursuant to these chapters will make original applications to the director on such forms as are provided by the department. Such applications will not be received by the director until the director deems the application meets the substantially complete criteria.

Subsequently, issuance of a license cannot occur until insurance policies, bonds, deposits, sureties, and indemnifications or certificates required by these chapters, together with the certification required in paragraph 2 below are received and approved.

2. *Taxes.* No applicant will be granted a license or a renewal of a license required by the Saint Paul Legislative Code unless, in addition to any other requirements, rules or ordinances hereafter required, the director determines that said applicant has paid all taxes, real or personal, before said taxes become delinquent, on any property, real or personal, situated within the City of Saint Paul and used in connection with the business operated under said license.
3. Notwithstanding the previous paragraph, the council or the director may issue a license if it is found that:
 - a. The applicant has made an agreement satisfactory to the Ramsey County Attorney to pay delinquent taxes in periodic installments;
 - b. The applicant has properly commenced a proceeding to contest the amount of tax due or the valuation of their property, and has made all partial payments required by law in connection with such proceeding; or
 - c. The business property with respect to which taxes are delinquent is not owned by the applicant, but by a lessor, and it would be inequitable to require the lessee to pay such taxes.

If a license is issued because of the existence of an agreement as described in subsection (a) above, the license may be revoked if the licensee defaults upon such agreement.

4. *Additional information.* the director will prescribe the information required to be submitted by each applicant in their application, in addition to that required by specific sections in these chapters, as may be necessary to carry out and enforce any provision hereunder. The director will require in every case the applicant to submit their name; business or corporate name; names of partners, officers, directors, shareholders, or trustees involved in the business; age; address; description or blueprint of the premises, if any, and the owner thereof, and locations and addresses of other business locations in Minnesota.
5. *No reapplication within one (1) year after denial or revocation.* Unless an applicant is claiming that they have evidence of rehabilitation as outlined in Minn. Stats. 364.03, subd. 3, no applicant may apply for any license within one (1) year of the denial or revocation of the same or similar license by the city council, if such denial or revocation was based

solely or partially upon misconduct or unfitness of the applicant, evidence of violations of law involving licensed premises, evidence that the applicant had been involved in the operation of a nuisance, or fraud or deception in the license application. A license is "similar," within the meaning of this paragraph, if the basis upon which the revocation or denial of the original license was made would have been a relevant basis on which to deny or revoke a license of the type subsequently applied for.

6. *Reapplication after denial; "interest" of applicant in revoked license.* An application by a person having an interest in, or whose shareholders or officers have an interest in, any premises or enterprise whose license has been revoked or to which a license has been denied will be treated as an application by the person whose license was denied or revoked. The term "interest," as used in this paragraph, includes any pecuniary interest in the ownership, operation, management or profits of an establishment, but does not include: bona fide loans; bona fide rental agreements; bona fide open accounts or other obligations held with or without security arising out of the ordinary and regular course of business of selling or leasing merchandise, fixtures or supplies to such establishment; an interest in a corporation owning or operating a hotel but having at least one hundred fifty (150) or more rental units holding a license in conjunction therewith; or ten (10) percent or less interest in any other corporation holding a license.

7. *Prohibition on reapplication; exception.* The prohibition on reapplication herein provided will not apply in cases where it is otherwise expressly provided by statute or ordinance.

(b) *New application investigation and review.* the director will determine the sufficiency and accuracy of each new application and obtain any pertinent criminal history information as may be used under Minn. Stats., chapter 364, and is otherwise available by law. The director will make reasonable and appropriate investigation of the premises or personal property, vehicles, or facilities, as may be involved in or related to the licensed activity, and will request, where appropriate, the assistance of DSI divisions and other city divisions or departments in making additional investigations for the purpose of determining whether the applicant is or will be in compliance with all applicable ordinances and statutes. The approval of such other divisions or departments is not required for issuance of a license unless otherwise required by specific sections in these chapters. All new applications will be reviewed by the zoning administrator or their designee for compliance with all requirements of the Saint Paul Zoning Code, and no new license will be granted without full compliance with said requirements. All new applications involving a premise, location, building or structure will be reviewed by the building official or their designee for investigation and recommendation.

(c) *Application denial.*

a. Denial of a Class T License application is adverse action and the procedures for notice and hearing outlined in Saint Paul Legislative Code Section 310.03 must be followed.

- (d) *Notice.* There is no notice requirement for Class T licenses.
- (1) Temporary liquor license applications do not require notification action by the director upon receipt of an application under Chapter A-11. Notification requirements, if any, are handled by the applicant as part of the application process as outlined in the relevant section of the Saint Paul Legislative Code.
- (e) *Levels of approval.*
- (1) *Approval recommended without conditions.* Where an application for the grant or issuance of a Class T License meets all the requirements of law, and there exists no grounds for denial, revocation suspension of, or the imposition of conditions upon such license, the director must grant or issue said license in accordance with the application.
- (2) *Approval recommended with conditions.* If upon review of an application for the grant, or issuance of a Class T License the director determines that there exist grounds for imposition of conditions the director must provide the applicant or licensee notice and an opportunity to be heard in accordance with the hearing procedures outlined in Saint Paul Legislative Code Section 310.03.
- (f) *Objections.* An appeal to the city council may be taken by any person aggrieved by the grant, issuance or renewal of a Class T License provided that:
1. The appeal must be filed with the city clerk within thirty (30) days after the action by the director.
 2. The only grounds for appeal will be that there has been an error of law in the grant, issuance, or renewal of the license.
 3. The appeal will be in writing and will set forth in particular the alleged errors of law.
 4. The council will conduct a hearing on the appeal within thirty (30) days of the date of filing and will notify the licensee and the appellant at least ten (10) days prior to the hearing date.
 5. The procedures set forth in section 310.05, insofar as is practicable, will apply to this hearing. Following the hearing, the council may affirm or remand the matter to the director, may reverse the director's decision or place conditions upon the license based on the council's determination that the director's decision was based on an error of law.
 6. The filing of an appeal will not stay the issuance of the license.
- (g) *Renewal procedures.* Class T Licenses are not automatically renewed. If a licensee wishes to Renew a Class T License, they must file a new application for a new Class T License.

(Ord 22-46, § 5, 11-9-22; Ord 23-32, § 3, 9-6-23)

Sec. 310.03. - Hearing procedures.

- (a) *Adverse action; notice and hearing requirements.* In any case where the council may or intends to consider any adverse action, including the revocation or suspension of a license, the imposition of conditions upon a license, or the denial of an application for the grant, issuance or renewal of a license, or the disapproval of a license issued by the State of Minnesota, the applicant or licensee must be given notice and an opportunity to be heard as provided herein. The council may consider such adverse actions when recommended by the director, by the director of any executive department established pursuant to Chapter 9 of the Charter, by the city attorney or on its own initiative.
- (b) *Notice.* In each such case where adverse action is or will be considered by the council, the applicant or licensee must be notified in writing that adverse action may be taken against the license or application, and that they are entitled to a hearing before action is taken by the council. The notice must be served or mailed a reasonable time before the hearing date, and must state the place, date and time of the hearing. The notice must state the issues involved or grounds upon which the adverse action may be sought or based. The council may request that such written notice be prepared and served or mailed by the director or by the city attorney.
- (c) *Hearing.* Where there is no dispute as to the facts underlying the violation or as to the facts establishing mitigating or aggravating circumstances, the hearing must be held before the council. Otherwise the hearing must be conducted before a hearing examiner appointed by the council or retained by contract with the city for that purpose. The applicant or the licensee must be provided an opportunity to present evidence and argument as well as meet adverse testimony or evidence by reasonable cross-examination and rebuttal evidence. The hearing examiner may in its discretion permit other interested persons the opportunity to present testimony or evidence or otherwise participate in such hearing.
- (c-1) *Procedure; hearing examiner.* The hearing examiner will hear all evidence as may be presented on behalf of the city and the applicant or licensee, and must present to the council written findings of fact and conclusions of law, together with a recommendation for adverse action.

The council will consider the evidence contained in the record, the hearing examiner's recommended findings of fact and conclusions, and may not consider any factual testimony not previously submitted to and considered by the hearing examiner. After receipt of the hearing examiner's findings, conclusions, and recommendations, the council must provide the applicant or licensee an opportunity to present oral or written arguments alleging error on the part of the examiner in the application of the law or interpretation of the facts, and to present argument related to the recommended adverse action. Upon conclusion of that hearing, and after considering the record, the examiner's findings and recommendations,

together with such additional arguments presented at the hearing, the council must determine what, if any, adverse action should be taken, which action must be by resolution. The council may accept, reject or modify the findings, conclusions and recommendations of the hearing examiner.

- (c-2) *Ex-parte contacts.* If a license matter has been scheduled for an adverse hearing, council members shall not discuss the license matter with each other or with any of the parties or interested persons involved in the matter unless such discussion occurs on the record during the hearings of the matter or during the council's final deliberations of the matter. No interested person shall, with knowledge that a license matter has been scheduled for adverse hearing, convey or attempt to convey, orally or in writing, any information, argument or opinion about the matter, or any issue in the matter, to a council member or his or her staff until the council has taken final action on the matter; provided, however, that nothing herein will prevent an inquiry or communications regarding status, scheduling or procedures concerning a license matter. An interested person, for the purpose of this paragraph, means and includes a person who is an officer or employee of the licensee which is the subject of the scheduled adverse hearing, or a person who has a financial interest in such licensee.
- (d) *Licensee or applicant may be represented.* The licensee or applicant may represent himself or choose to be represented by another.
- (e) *Record; evidence.* The hearing examiner shall receive and keep a record of such proceedings, including testimony and exhibits, and shall receive and give weight to evidence, including hearsay evidence, which possesses probative value commonly accepted by reasonable and prudent persons in the conduct of their affairs.
- (f) *Council action, resolution to contain findings.* Where the council takes adverse action with respect to a license, licensee or applicant for a license, the resolution by which such action is taken must contain its findings and determination, including the imposition of conditions, if any. The council may adopt all or part of the findings, conclusions and recommendations of the hearing examiner, and incorporate the same in its resolution taking the adverse action.
- (g) *Additional procedures where required.* Where the provisions of any statute or ordinance require additional notice or hearing procedures, such provisions must be complied with and supersede inconsistent provisions of these chapters. This includes, without limitation by reason of this specific reference, Minn. Stats., Chapter 364 and Minn. Stats., § 340A.415.
- (h) *Discretion to hear notwithstanding withdrawal or surrender of application or license.* The council may, at its discretion, conduct a hearing or direct that a hearing be held regarding revocation or denial of a license, notwithstanding that the applicant or licensee has attempted or purported to

withdraw or surrender said license or application, if the attempted withdrawal or surrender took place after the applicant or licensee had been notified of the hearing and potential adverse action.

- (i) *Continuances.* Where a hearing for the purpose of considering revocation or suspension of a license or other disciplinary action involving a license has been scheduled before the council, a continuation of the hearing may be granted by the council president or by the council at the request of the licensee, license applicant, an interested person or an attorney representing the foregoing, upon a showing of good cause by the party making the request.
- (j) If the council imposes an adverse action as defined in section 310.01 above, a generic notice of such action must be prepared by the director and posted by the licensee so as to be visible to the public during the effective period of the adverse action. The licensee shall be responsible for taking reasonable steps to make sure the notice remains posted on the front door of the licensed premises, and failure to take such reasonable precautions may be grounds for further adverse action.
- (k) *Imposition of costs.* The council may impose upon any licensee or license applicant some or all of the costs of a contested hearing before an independent hearing examiner. The costs of a contested hearing include, but are not limited to, the cost of the administrative law judge or independent hearing examiner, stenographic and recording costs, copying costs, city staff and attorney time for which adequate records have been kept, rental of rooms and equipment necessary for the hearing, and the cost of expert witnesses. The council may impose all or part of such costs in any given case if (i) the position, claim or defense of the licensee or applicant was frivolous, arbitrary or capricious, made in bad faith, or made for the purpose of delay or harassment; (ii) the nature of the violation was serious, or involved violence or the threat of violence by the licensee or employees thereof, or involved the sale of drugs by the licensee or employees thereof, and/or the circumstances under which the violation occurred were aggravated and serious; (iii) the violation created a serious danger to the public health, safety or welfare; (iv) the violation involved unreasonable risk of harm to vulnerable persons, or to persons for whose safety the licensee or applicant is or was responsible; (v) the applicant or licensee was sufficiently in control of the situation and therefore could have reasonably avoided the violation, such as, but not limited to, the nonpayment of a required fee or the failure to renew required insurance policies; (vi) the violation is covered by the intoxicating liquor; nonintoxicating malt liquor; presumptive penalty matrix in subsection (m) below; or (vii) the violation involved the sale of cigarettes to a minor.
- (l) *Imposition of fines.* The council may impose a fine upon any licensee or license applicant as an adverse license action. A fine may be in such amount as the council deems reasonable and appropriate, having in mind the regulatory and enforcement purposes embodied in the particular licensing ordinance. A fine may be in addition to or in lieu of other adverse action in the sole

discretion of the council. To the extent any other provision of the Legislative Code provides for the imposition of a fine, both provisions must be read together to the extent possible; provided, however, that in the case of any conflict or inconsistency, the other provision must be controlling.

(m) *Presumptive penalties for certain violations.* The purpose of this section is to establish a standard by which the city council determines the amount of fines, the length of license suspensions and the propriety of revocations, the general presumptive penalty matrix applies to all license types, except that in the case of a violation involving a liquor license the penalty matrix for intoxicating liquor; nonintoxicating malt liquor applies and for a violations involving tobacco, the penalty matrix for tobacco applies. These penalties are presumed to be appropriate for every case; however the council may deviate therefrom in an individual case where the council finds and determines that there exist substantial and compelling reasons making it more appropriate to do so. When deviating from these standards, the council must provide written reasons that specify why the penalty selected was more appropriate.

1. **General presumptive penalties matrix**—The general penalty matrix is to be used if there is not a specific penalty matrix for the license type or a category within the specific penalty matrix does not address the violation.
2. **Intoxicating liquor; malt liquor; presumptive penalty matrix.**

Presumptive penalties for intoxicating liquor and nonintoxicating malt liquor violations. If a violation is not covered under this penalty matrix, the general presumptive penalty matrix should be used. Penalties for convictions or violations are presumed to be appropriate for every case; however, the council may deviate therefrom in an individual case where the council finds and determines that there exist substantial and compelling reasons making it more appropriate to do so. When deviating from these standards, the council must provide written reasons that specify why the penalty selected was more appropriate (unless specified, numbers below indicate consecutive days' suspension):

- (a) For on-sale intoxicating liquor establishments with a seating capacity of one hundred fifty (150) or more, the monetary penalty for any violation (including violations found in chapter 310) must be doubled.
- (b) For off-sale intoxicating liquor establishments with five thousand one (5,001) or more square feet of retail space, the monetary penalty for any violation (including violations found in chapter 310) must be doubled.
- (c) *Other penalties.* Nothing in this section restricts or limits the authority of the council to suspend licenses for up to sixty (60) days, revoke the license, or impose a civil fine not to exceed two thousand dollars (\$2,000.00), to impose conditions or take any other adverse action in accordance with law, provided, that the license holder has been afforded an opportunity for a hearing in the manner provided for in section 310.02 of this Code.

- (d) *Effect of responsible business practices in determining penalty.* In determining the appropriate penalty, the council may, in its discretion, consider evidence submitted to it in the case of uncontested adverse actions or submitted to a hearing examiner in a contested hearing upon which findings of fact have been made that a licensee has followed or is likely to follow in the future responsible business practices in regard to sales to intoxicated persons and sales to minors.
- (1) For the purposes of service to intoxicated persons, evidence of responsible business practices may include, but is not limited to, those policies, procedures and actions that are implemented at time of service and that:
- a) Encourage persons not to become intoxicated if they consume alcoholic beverages on the defendant's premises;
 - b) Promote availability of nonalcoholic beverages and food;
 - c) Promote safe transportation alternatives other than driving while intoxicated;
 - d) Prohibit employees and agents of defendant from consuming alcoholic beverages while acting in their capacity as employees or agents;
 - e) Establish promotions and marketing efforts that publicize responsible business practices to the defendant's customers and community;
 - f) Implement comprehensive training procedures;
 - g) Maintain an adequate, trained number of employees and agents for the type and size of defendant's business;
 - h) Establish a standardized method for hiring qualified employees;
 - i) Reprimand employees who violate employer policies and procedures; and
 - j) Show that the licensee has enrolled in recognized courses providing training to self and one (1) or more employees of the licensed establishment in regard to standards for responsible liquor service.
- 2) For the purposes of service to minors, evidence of responsible business practices may include, but is not limited to, those listed in subsection (1) and the following:
- a) Management policies that are implemented at the time of service and that ensure that proof of identification (as established by state law) is examined for all persons seeking service of alcoholic beverages who may reasonably be suspected to be minors;
 - b) Comprehensive training of employees who are responsible for such examination regarding the detection of false or altered identification; and
 - c)

Enrollment by the licensee in recognized courses providing training to self and one (1) or more employees of the licensed establishment in regard to standards for responsible liquor service.

3. Tobacco presumptive penalties matrix.

Tobacco presumptive penalties. Penalties for convictions or violations are presumed to be appropriate for every case; however, the council may deviate therefrom in an individual case where the council finds and determines that there exist substantial and compelling reasons making it more appropriate to do so. When deviating from these standards, the council must provide written reasons that specify why the penalty selected was more appropriate (unless specified, numbers below indicate consecutive days' suspension):

- (a) *Purpose.* The purpose of this section is to establish a standard by which the city council determines the amount of fines, length of license suspensions and the propriety of revocations for licensees. These penalties are presumed to be appropriate for every case; however, the council may deviate therefrom in an individual case where the council finds and determines that there exist substantial and compelling reasons which make it appropriate to do so, except, the council may not deviate below statewide minimum penalties for licensees. When deviating from these standards, the council shall provide written reasons that specify why the penalty selected was more appropriate. Where no penalty is listed below, the presumptive penalty under the general presumptive penalty matrix will apply.
- (b) *Presumptive penalties for licensees for violations.* Adverse penalties for licensees for violations or convictions shall be presumed as follows:
- (c) *Computation of time for violations under the tobacco presumptive penalties matrix.* If a violation is not covered under this penalty matrix, the general presumptive penalty matrix should be used. Except as otherwise provided by Minn. Stats. § 461.12, subd. 2, subsequent tobacco violations are subject to the following:
 - (1) *Second, third and fourth appearances for violations under the tobacco presumptive penalties matrix.* . A second violation within twenty four (24) months must be treated as a second appearance, a third within twenty four (24) months treated as a third appearance, and a fourth within twenty four (24) months treated as a fourth appearance for the purpose of determining the presumptive penalty.
 - (2) *Any appearance not covered by subsections (1) above must be treated as a first appearance for violations under the tobacco presumptive penalties matrix.* Measurement of the twenty four (24) month period must be as follows: The beginning date shall be the earliest violation's date of appearance before the council, and the ending date shall be the date of the new violation. In case of multiple new violations, the ending date to be used shall be the date of the violation last in time.

- (i) *Fines payable without hearing.*
- A. Notwithstanding the provisions of section 310.03(c), a licensee who would be making a first or second appearance on a violation that calls for a monetary fine before the council may elect to pay the fine to the department of safety and inspections without a council hearing, unless the notice of violation has indicated that a hearing is required because of circumstances which may warrant deviation from the presumptive fine amount. Payment of the recommended fine will be considered to be a waiver of the hearing to which the licensee is entitled and will be considered an "appearance" for the purpose of determining presumptive penalties for subsequent violations.
- (ii) *Multiple violations.* At a licensee's first appearance before the city council, the council shall consider and act upon all the violations that have been alleged and/or incorporated in the notices sent to the licensee under the administrative procedures act up to and including the formal notice of hearing. The council in that case shall consider the presumptive penalty for each such violation under the "1st Appearance" column in the Penalty Matrixes above. The occurrence of multiple violations is grounds for departure from such penalties in the council's discretion.
- (iii) *Violations occurring after the date of the notice of hearing.* Violations occurring after the date of the notice of hearing that are brought to the attention of the city attorney prior to the hearing date before an administrative law judge (or before the council in an uncontested facts hearing) may be added to the notice(s) up to twenty (20) days before the hearing, and may in that case be treated as though part of the "1st Appearance" unless grounds for upward deviation from the presumptive penalties outlined in the presumptive penalty matrix outlined in 310.03(m) are included in the amended notice of the violation. In all other cases, violations occurring after the date of the formal notice of hearing must be the subject of a separate proceeding and dealt with as a "2nd Appearance" before the council. The same procedures must apply to a second, third or fourth appearance before the council.
- (iv) *Subsequent appearances.* Upon a second, third or fourth appearance before the council by a particular licensee, the council shall impose the presumptive penalty for the violation or violations giving rise to the subsequent appearance without regard to the particular violation or violations that were the subject of the first or prior appearance.
- (v) *Computation of time.*

- (1) *Second appearance.* A second violation within twelve (12) months must be treated as a second appearance for the purpose of determining the presumptive penalty.
- (2) *Third appearance.* A third violation within eighteen (18) months must be treated as a third appearance for the purpose of determining the presumptive penalty.
- (3) *Fourth appearance.* A fourth violation within twenty-four (24) months must be treated as a fourth appearance for the purpose of determining the presumptive penalty.
- (4) Any appearance not covered by subsections (1), (2) or (3) above must be treated as a first appearance. Measurement of the twelve-, eighteen-, or twenty-four-month period is as follows: The beginning date shall be the earliest violation's date of appearance before the council or payment of the fine related to the violation, and the ending date shall be the date of the new violation. In case of multiple new violations, the ending date to be used shall be the date of the violation last in time.
- (5) Notwithstanding subsections (iv)(1), (2), (3) or (4) above, a second appearance before the council regarding a death or great bodily harm in a licensed establishment that is related to a violation of the law or license conditions must be counted as a second appearance, regardless of how much time has passed since the first appearance if the first appearance was also regarding a death or great bodily harm in a licensed establishment. A third appearance for the same must be counted as a third appearance regardless of how much time has passed since the first or second appearance.
- (6) Violations of the general presumptive penalty matrix, the intoxicating liquor, malt liquor presumptive penalty matrix and the tobacco presumptive penalty matrix are meant to be cumulative. For the purpose of a second, third or fourth appearance under this section, "violation" shall must mean either one of those violations listed in paragraph (m)1, 2, or 3.

(Ord 22-46, § 3, 11-9-22)

Sec. 409.05. - On- and off-sale licenses; term; fees.

- (a) *Term.* All licenses for the sale of intoxicating liquor are be for a term of one (1) year from the date of issuance or renewal, except as provided herein. The date shall be determined by the inspector and entered upon the license.
- (b) *License fees, on-sale; semiannual installments.* The fees required for licenses is be established by ordinance as specified in section 310.01 of the Legislative Code. Said sum must be paid in two (2) equal amounts, the first to be paid before the license is issued or renewed, the second payment to be made within six (6) months from the date of issuance or renewal.
- (c) *On-sale license; replacement after revocation.* If, for any reason, the on-sale license in this chapter provided for is revoked by the council of the City of Saint Paul, no replacement license shall be issued until the full license fee for the new license due for the remainder of the license year is first paid; provided, however, that in no event shall a licensee pay less than the applicable annual license fee together with the applicable issuance tax for a license, or combination of licenses, during a license year.
- (d) *Increase in on-sale license fee; notice to licensees.* The director is hereby directed to notify in writing via U.S. mail all on-sale licensees of the public hearing date for council consideration of any amendments to this section increasing the license fees. At said public hearing, the department of safety and inspections must present evidence to the council showing the relationship between the proposed fee increase and the costs borne by the city for liquor-related regulating and policing.
- (e) *Late fees.* Notwithstanding the provisions of section 310.01, an applicant for renewal of an on-sale liquor license must be charged a late fee in an amount of ten (10) percent of the installment due for such license for each thirty-day period or portion thereof which had elapsed after the expiration date of such license or semiannual period, and the late fee must not exceed fifty (50) percent of the annual life.
- (f) *Annual license fees for clubs and private clubs.* The annual license fee for a club and a private club must be in conformity with Minnesota Statutes, Section 340.408, subdivision 2(b).
- (g) *License fee lawful gambling locations.* The license fee for lawful gambling locations must be as provided in section 310.01 of the Legislative Code.
- (h) *Application with family members.* Notwithstanding subsection (a) of this section, where an existing on-sale intoxicating liquor license holder makes application for a new on-sale license for the same location together with one (1) or more family members as additional license holders, the term of the new license must coincide with the end of the existing license and end on the same date. No additional license fee for the new license must be paid for the remainder of the term of the existing license, so long as the license fees for the existing license are fully paid. The normal license fee must be paid in any case for the remainder of the term of the existing license.

Each additional family member becoming a license holder must fill out an application form for purposes of the background investigation by the license division and provide such other information as may reasonably be required by the license division and must pay a fee with the application in an amount as set forth in section 310.01 of the Saint Paul Legislative Code. The term "family members," for the purpose of this subsection shall include parents, children, grandchildren, brothers and sisters, together with the spouses of such parents, children, grandchildren, brothers and sisters.

- (i) *Fee waived for government agencies.* The fee for any license under Chapter 409 must be waived for any license issued to and used by a division or department of the city.

(Ord 22-47, § 6, 11-9-22)

Sec. 409.065. - Insurance requirements.

No license under this chapter may be issued, maintained or renewed unless the licensee or applicant therefor complies with the insurance requirements imposed by Minn. Stat. § 340A.409. Such insurance coverage must comply with the requirements of Minn. Stat. § 340A.409 and Chapters 7 and 8 of this Legislative Code.

(Ord 22-47, § 8, 11-9-22)