

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 the nineteenth day of March she served the attached **NOTICE OF VIOLATION AND REQUEST FOR IMPOSITION OF \$500 MATRIX PENALTY** and a correct copy thereof in an envelope addressed as follows:

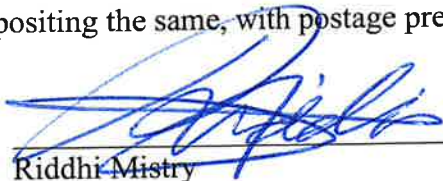
Garso Mini Mart
d/b/a Garso Mini Mart
189 7th Street East
St. Paul, MN 55101
Attn: Mohamed Maye

Mohamed Maye
7516 Welcome Avenue North
Brooklyn Park, MN 55443

G&S Walsh Properties
5741 Heather Ridge Drive
Shoreview, MN 55126-3702

Jon Fure, Executive Director,
Capitol River Council
370 Wabasha Street North, Suite 720
Saint Paul, MN 55102

(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 March 2023


Notary Public





March 19, 2024

**NOTICE OF VIOLATION
AND REQUEST FOR IMPOSITION OF
\$500 MATRIX PENALTY**

Garso Mini Mart
d/b/a Garso Mini Mart
189 7th Street East
St. Paul, MN 55101
Attn: Mohamed Maye

RE: Tobacco Shop license held by Garso Mini Mart d/b/a Garso Mini Mart for the premises located at 189 7th Street East in Saint Paul.
License ID #: 20200002430

Dear Licensee:

The Department of Safety and Inspections ("Department") has recommended adverse action against the Tobacco Shop license held by Garso Mini Mart ("Licensee") herein for the premises known as Garso Mini Mart located at 189 7th Street East (Licensed Premises").

Legal Basis for Action:

Saint Paul Legislative Code §310.01, defines Adverse Action as:

"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 §310.03 (m) provides for a presumptive penalty of \$500 for a first-time violation of a provision of the legislative code related to the licensed activity.



Saint Paul Legislative Code §310.04 (b) sets forth a variety of reasons on which adverse action may be based. §310.04 (b)(6) allows for adverse action when a licensee has violated or performed any act which is a violation of any of the provisions of these chapters or of any statute, ordinance or regulation reasonably related to the licensed activity.

Minnesota Statute § 297F.21 states: The following are declared to be contraband and therefore subject to civil and criminal penalties under this chapter:

(a) Cigarette packages which do not have stamps affixed to them as provided in this chapter, including but not limited to (i) packages with illegible stamps and packages with stamps that are not complete or whole even if the stamps are legible, and (ii) all devices for the vending of cigarettes in which packages as defined in item (i) are found, including all contents contained within the devices.

(b) A device for the vending of cigarettes and all packages of cigarettes, where the device does not afford at least partial visibility of contents. Where any package exposed to view does not carry the stamp required by this chapter, it shall be presumed that all packages contained in the device are unstamped and contraband.

(c) A device for the vending of cigarettes to which the commissioner or authorized agents have been denied access for the inspection of contents. In lieu of seizure, the commissioner or an agent may seal the device to prevent its use until inspection of contents is permitted.

(d) A device for the vending of cigarettes which does not carry the name and address of the owner, plainly marked and visible from the front of the machine.

(e) A device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner or of a person operating with the consent of the owner for the storage or transportation of more than 5,000 cigarettes which are contraband under this subdivision. When cigarettes are being transported in the course of interstate commerce or are in movement from either a public warehouse to a distributor upon orders from a manufacturer or distributor, or from one distributor to another, the cigarettes are not contraband, notwithstanding the provisions of clause (a).

(f) A device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner, or of a person operating with the consent of the owner, for the storage or transportation of untaxed tobacco products intended for sale in Minnesota other than those in the possession of a licensed distributor on or before the due date for payment of the tax under section 297F.09, subdivision 2.

(g) Cigarette packages or tobacco products obtained from an unlicensed seller.

(h) Cigarette packages offered for sale or held as inventory in violation of section 297F.20, subdivision 7.

(i) Tobacco products on which the tax has not been paid by a licensed distributor.



(j) Any cigarette packages or tobacco products offered for sale or held as inventory for which there is not an invoice from a licensed seller as required under section 297F.13, subdivision 4.

(k) Cigarette packages which have been imported into the United States in violation of United States Code, title 26, section 5754. All cigarettes held in violation of that section shall be presumed to have entered the United States after December 31, 1999, in the absence of proof to the contrary.

(l) Cigarettes subject to forfeiture under section 299F.854, subdivision 5, and cigarette packaging and markings, including the cigarettes contained therein, which do not meet the requirements under section 299F.853, paragraph (a).

Adverse Action Recommendation:

The Department of Safety and Inspections will recommend a \$500.00 matrix penalty for the following violations of Minnesota Statute §297F.21 (a), (g), (i), (j) and (k).

Factual basis for imposition of \$500.00 matrix penalty:

On February 20, 2024, the Department of Safety and Inspections (DSI) received a Seized Cigarette/Tobacco Product letter from the Minnesota Department of Revenue/Tobacco Licensing Division. Attached to the letter was a Notice of Seized Contraband report from an inspection conducted on November 20, 2023, at the license premises listing the items seized as contraband which were not listed on an invoice and therefore illegally obtained:

<u>Quantity</u>	<u>Unit</u>	<u>Product Description</u>
3	Packs	Marlboro Double Ice King Size
1	Pens	Loon Maxx Mint Crush Disposable Pens
1	Pens	Loon Maxx Lush Ice Disposable Pens
3	Pens	Loon Maxx Blue Razz Slushy Disposable Pens
2	Pens	Loon Maxx Creamy Frostbite Disposable Pens
1	Pens	Loon Maxx Blue Lightening Disposable Pens

You have four (4) options to proceed:

1. If you do not contest the imposition of the proposed adverse action, you may do nothing. If I have not heard from you by **March 29, 2024**, I will presume that you have chosen not to contest the proposed



adverse action and the matter will be placed on the City Council Consent agenda for approval of the proposed remedy.

2. You can pay the \$500 matrix penalty. If this is your choice, you should make payment directly to the Department of Safety and Inspections, at 375 Jackson Street, Ste. 220, St. Paul, Minnesota 55101-1806 no later than **March 29, 2024**. A self-addressed envelope is enclosed for your convenience. Payment of the \$500.00 matrix penalty will be considered an admission to the violation and waiver of the hearing to which you are entitled.
3. If you wish to admit the facts but you contest the \$500 matrix 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 Council hearing no later than **March 29, 2024**. The matter will then be scheduled before the City Council to determine whether to impose the \$500 matrix penalty. You will have an opportunity to appear before the Council and make a statement on your own behalf.
4. 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 **March 29, 2024**. 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. 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 request that City Council impose the costs of the administrative hearing per Saint Paul Legislative Code § 310.03 (k).

If you have not contacted me by March 29, 2024, I will assume that you do not contest the imposition of the \$500 matrix penalty. In that case, the matter will be placed on the City Council Consent Agenda for approval of the recommended penalty.

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

Sincerely,

Therese Skarda



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

Assistant City Attorney
License No. 0240989

Cc: Mohamed Maye, 7516 Welcome Avenue North, Brooklyn Park, MN 55443
G & S Walsh Properties, 5741 Heather Ridge Drive-Shoreview, MN 55126-3702
Capitol River Council, Jon Fure, Executive Director, 370 Wabasha Street North, Suite 720, St Paul, MN 55102

Attachments: February 20, 2024, Letter from Minnesota Department of Revenue
November 21, 2023, Notice of Seized Contraband
Saint Paul Legislative Code §310.01
Saint Paul Legislative Code §310.03
Saint Paul Legislative Code §310.04
Minnesota Statute 297F.21



February 20, 2024

Tobacco Licensing Division
375 Jackson Street #220
St Paul, MN 55101

Seized Cigarette/Tobacco Product

The Minnesota Department of Revenue recently seized cigarette and/or tobacco products as contraband under Minnesota Statute 297F.21 from a business located in your jurisdiction. Because all time periods for judicially challenging the seizure have expired, the property has been forfeited to the State.

Attached you will find a copy of our Notice of Seized Contraband. The notice lists the products we seized.

Why are you contacting me?

We are providing you information about our seizure of tobacco contraband so you may take any action against the city/county license as appropriate.

Contact me if you have any questions.

Sincerely,

Steve Johnson
Compliance Coordinator
Phone: 651-556-4708
Email: steve.johnson@state.mn.us

Supervisor Contact Information:
Dan Hughes
651-556-4750
dan.hughes@state.mn.us

November 21, 2023

ID: XXX-XX-0348

Letter ID: L0312633760

Notice Date: November 21, 2023

GARSO MINI MART
189 7TH PL E
SAINT PAUL MN 55101-2344

Notice of Seized Contraband

Seized Date and Time: 20-Nov-2023 1140AM**Seized by: JODY TRUE/LINDSAY RIVARD/MARCUS GIBBS****Seizure Location: 189 7TH PL E****SAINT PAUL MN 55101-2344****Seized From: GARSO MINI MART**

The Minnesota Department of Revenue seized the following property as contraband under the authority granted to the commissioner of revenue (Minnesota Statutes Chapter 297F)

Quantity	Unit	Product Description
3	Packs	Marlboro Double Ice King Size
1	Pens	Loon Maxx Mint Crush Disposable Pens
1	Pens	Loon Maxx Lush Ice Disposable Pens
3	Pens	Loon Maxx Blue Razz Slushy Disposable Pens
2	Pens	Loon Maxx Creamy Frostbite Disposable Pens
1	Pens	Loon Maxx Blue Lightening Disposable Pens

The property listed was seized as contraband under the authority granted in M.S. 297F. The specific section of the law under which this property is declared to be contraband is M.S. 297F.21, which state(s).

Subdivision 1. Contraband defined. The following are declared to be contraband and therefore subject to civil and criminal penalties under this chapter

Cigarette/Tobacco 297F.21

(a) Cigarette packages which do not have stamps affixed to them as provided in this chapter, including but not limited to (i) packages with illegible stamps and packages with stamps that are not complete or whole even if the stamps are legible, and (ii) all devices for the vending of cigarettes in which packages as defined in the item (i) are found, including all contents contained within the devices.

(g) Cigarette packages or tobacco products obtained from an unlicensed seller.

- (i) Tobacco products on which the tax has not been paid by a licensed distributor.
- (j) Any cigarette packages or tobacco products offered for sale or held as inventory for which there is not an invoice from a licensed seller as required under section 297F.13, subdivision 4.
- (k) Cigarette packages which have been imported into the United States in violation of United States Code, title 26, section 5754. All cigarettes held in violation of that section shall be presumed to have entered the United States after December 31, 1999, in the absence of proof to the contrary.

What must I do?

You must request a judicial review of this seized property within 60 days of the Notice Date. If you do not, the property that we seized will become property of the state of Minnesota.

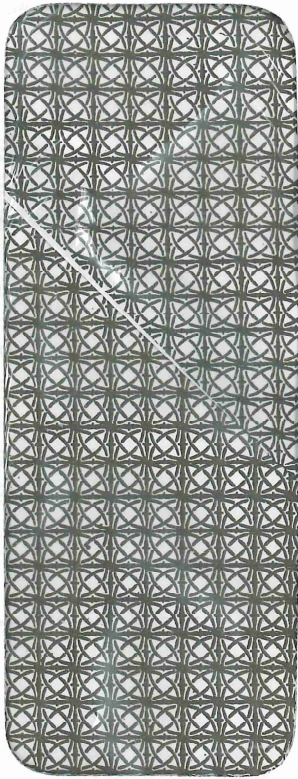
How do I demand a judicial review?

1. File a civil complaint with the court administrator in the county where the seizure occurred.
2. Include proof that you served a copy of the complaint on the Department of Revenue.
3. List your name as “plaintiff” and the seized property as “defendant” in the title of the complaint.
4. State the grounds on which you allege the property was improperly seized and what your ownership interest is in the property.

You do not have to pay the court filing fee if it is determined you cannot afford the fee. If the value of the seized property is \$15,000 or less, you can file an action in conciliation court to recover the property. If the value of the seized property is less than \$500, you do not have to pay the conciliation court filing fee.

Steven Johnson
Revenue Tax Specialist
Phone: 651-556-4708
Email: steve.johnson@state.mn.us
Fax: 651-282-3933

m DEPARTMENT
OF REVENUE
600 NORTH ROBERT STREET
MAIL STATION 3331
ST. PAUL, MN 55146-3331



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PRESORTED
FIRST CLASS



US POSTAGESM PTNEY/BOWES
ZIP 55155 \$ 000.50⁷
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Received

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City of Saint Paul - DSI

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Sec. 310.01. - Definitions.

For the purposes of this chapter, any chapter of the Legislative Code pertaining to licenses as hereinafter mentioned, and subsequently enacted ordinances establishing or relating to the requirements for Class R for routinely issued licenses, Class T for temporary licenses and Class N for licenses in which neighbors are required to be notified, under authority of the City of Saint Paul, the terms defined in this section have the following meanings:

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.

Bond means a bond meeting the requirements of section 310.05 and indemnifying the city against all claims, judgments or suits caused by, resulting from or in connection with any licensed business, activity, premises, thing, facility, occurrence or otherwise under these chapters.

Building official means the official in the department of safety and inspections charged with the responsibility of enforcement of the building code.

Chapters and these chapters mean this uniform license ordinance, any chapter of the Legislative Code pertaining to licenses as hereinafter mentioned, and subsequently enacted ordinances establishing or relating to the requirements for class R, class T, and class N licenses under authority of the city.

Class R licenses means those licenses and certain permits which can be issued by the director without council approval if no conditions are imposed upon the license and which do not require a hearing if there is an objection. Class R Licenses follow the Procedures for Application for the Grant or Issuance of a License, New Application Investigation and Review, Application Denial, Notice, Levels of Approval, Objections, and Renewal Procedures laid out in Section 310.02(1). The following licenses are so classified, and the numbers shown opposite them correspond to the chapters in the Legislative Code pertaining to each license:

Business Licenses	Fee	Class	Ordinance/ Legislative Code
CLASS R			

Agricultural Vehicle Permit	\$23.00	R	<u>165</u>
Amusement Rides—Annual	\$85.00	R	<u>317</u>
Animal Boarding (Commercial)	\$83.00	R	<u>348</u>
Animal Boarding (Home Occupation)	\$83.00	R	<u>348</u>
Animal Day Care (Commercial)	\$83.00	R	<u>348</u>
Animal Day Care (Home Occupation)	\$83.00	R	<u>348</u>
Animal Foods Manufacturing and Distribution	\$85.00	R	<u>316</u>
Bituminous Contractor	\$210.00	R	<u>320</u>
Bowling Centers	\$210.00	R	<u>426</u>
Building Contractors	\$210.00	R	<u>326</u>
Building Trade Business License	\$188.00	R	<u>369</u>
Building Trades Certificate of Competency	\$24.00	R	<u>370</u>
Bulk Oil Storage	\$210.00	R	<u>342</u>
Christmas Tree Sales	\$85.00	R	<u>323</u>
Commercial Vehicle	\$78.00	R	<u>158</u>
Commercial Vehicle—Exempt	\$0.00	R	<u>158</u>
Courtesy Bench	\$26.00	R	<u>127</u>
Courtesy Benches Transfer	\$17.00	R	<u>127</u>
Finishing Shop	\$85.00	R	<u>371</u>

Game Room	\$210.00	R	<u>406</u>
House Sewer Contractor	\$210.00	R	<u>338</u>
Laundry/Dry-cleaning Plant	\$210.00	R	<u>327</u>
Laundry/Dry-cleaning Pick Up Station	\$85.00	R	<u>327</u>
Lawn Fertilizer and Pesticide Applicator	\$85.00	R	<u>377</u>
Liquid Fuel Dealer	\$210.00	R	<u>332</u>
Liquid Fuel Dealer Vehicle	\$85.00	R	<u>332</u>
Liquor Catering (State Cater/City Liq)	\$192.00	R	<u>409</u>
Mechanical Amusement Device	\$21.00	R	<u>318</u>
Massage Center—A (1 Practitioner)	\$100.00	R	<u>414</u>
Massage Center—A (Commercial)	\$262.00	R	<u>412</u>
Massage Center—B (Home Location)	\$106.00	R	<u>412</u>
Massage Practitioner	\$106.00	R	<u>414</u>
Massage Practitioner-Additional Location	\$31.00	R	<u>412</u>
Mercantile Broker	\$85.00	R	<u>340</u>
Mobile Retail Vehicle	\$85.00	R	<u>346</u>
Pedal Car	\$118.00	R	<u>374</u>
Pedal Car Business	\$352.00	R	<u>374</u>
Pedal Car Driver	\$51.00	R	<u>374</u>

Peddler	\$85.00	R	<u>345</u>
Peddler—Fee Waived	\$0.00	R	<u>345</u>
Pedicab Driver	\$51.00	R	<u>374</u>
Pedicab Vehicle	\$113.00	R	<u>374</u>
Pest Control	\$210.00	R	<u>334</u>
Pet Grooming Facility	\$85.00	R	<u>382</u>
Pet Shop	\$210.00	R	<u>347</u>
Pool & Billiard Hall	\$210.00	R	<u>322</u>
Recycling Collection Center	\$210.00	R	408
Recycling Processing Center	\$958.00	R	408
Rental of Hospital Equipment	\$85.00	R	<u>350</u>
Rental of Hospital Equip-Vehicle	\$85.00	R	<u>350</u>
Rental of Kitchenware	\$85.00	R	<u>351</u>
Roller Rink	\$85.00	R	<u>353</u>
Sanitary Disposal Vehicle	\$405.00	R	<u>354</u>
Second-Hand Dealer	\$85.00	R	<u>355</u>
Second-Hand Dealer (Comp/Elec)	\$85.00	R	<u>355</u>
Second-Hand Dealer (Antiques/Comp/Elec)	\$85.00	R	<u>356</u>
Second-Hand Dealer (Antiques)	\$85.00	R	<u>355</u>

Second Hand Dealer—Motor Vehicle Parts	\$507.00	R	<u>355</u>
Second-Hand Dealer—Multiple Dealers	\$405.00	R	<u>355</u>
Short-Term Rental (Non-Owner Occupied)	\$45.00	R	<u>379</u>
Short-Term Rental (Owner Occupied)	\$45.00	R	<u>379</u>
Short-Term Rental Platform	\$11,181.00	R	<u>379</u>
Sidewalk Cafe	\$40.00	R	106
Sidewalk Contractor	\$210.00	R	<u>356</u>
Solicitor	\$85.00	R	<u>345</u>
Solid Fuel Dealer	\$210.00	R	<u>333</u>
Solid Fuel Dealer Vehicle	\$85.00	R	<u>333</u>
Solid Waste Hauler & Vehicle	\$405.00	R	<u>357</u>
Solid Waste Hauler (Ea Add'l Veh)	\$85.00	R	<u>357</u>
Solid Waste Transfer Station	\$1,913.00	R	<u>357</u>
Sound Trucks & Broadcast Vehicle	\$85.00	R	<u>359</u>
Swimming Pool—Public	\$405.00	R	<u>360</u>
Tanning Facility	\$106.00	R	<u>380</u>
Taxicab Driver	\$51.00	R	<u>376</u>
Taxicab Vehicle	\$469.00	R	<u>376</u>
Taxicab Vehicle (Reciprocity Event)	\$37.00	R	<u>376</u>

Taxicab Service Company	\$456.00	R	<u>376</u>
Theaters and Movie Theaters	\$210.00	R	<u>416</u>
Tire Recapping Plant	\$85.00	R	<u>372</u>
Tobacco Products Shop	\$535.00	R	<u>324</u>
Tobacco Shop	\$535.00	R	<u>324</u>
Tow Truck/Wrecker (Operator)	\$405.00	R	<u>361</u>
Tow Truck/Wrecker (Vehicle)	\$85.00	R	<u>361</u>
Trade Worker Registration—Tier 1	\$37.00	R?	<u>370</u>
Trade Worker Registration—Tier 2	\$70.00	R	<u>370</u>
Trade Worker Registration—Tier 3	\$59.00	R	<u>370</u>
Trailer Rental	\$210.00	R	<u>352</u>
Tree Trimmer & 1 Vehicle	\$210.00	R	<u>362</u>
Tree Trimmer—Each Add'l Vehicle	\$85.00	R	<u>362</u>
Vehicle Immobilization Service	\$405.00	R	<u>383</u>
Veterinary Hospital	\$210.00	R	<u>364</u>
Window Cleaning	\$210.00	R	<u>365</u>
Wrecking of Buildings	\$65.00	R	<u>368</u>

Class T licenses means those licenses which can be approved or denied by the director, if no conditions are imposed upon the license and which do not require a hearing if there is an objection. Class T Licenses follow the 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 laid out in [Section 310.02\(3\)](#). The following licenses are so classified, and the numbers shown opposite them correspond to the chapters in the Legislative Code pertaining to each license:

Business Licenses	Fee	Class	Ordinance/ Legislative Code
CLASS T			
Amusement Rides—Temporary	\$32.00	T	317
Bingo/Rfls/P-Tabs/Tpbrds/Pdlwhls	\$59.00	T	402
Close Out Sale	\$85.00	T	325
Entertainment—Temporary	\$35.00	T	411
Liquor Catering (State Cater Only)	\$59.00	T	409
Liquor—Extension of Service Area	\$68.00	T	410
Liquor—Under Age Access (Temporary)	\$35.00	T	409
Liquor On Sale—Temporary	\$59.00	T	409
Malt On Sale (3.2)—Temporary	\$59.00	T	410
Massage Practitioner—Temporary	\$50.00	T	412
Second Hand Dealer—Exhibition	\$210.00	T	355
Tag Days	\$26.00	T	391
Temp On Sale Malt Brewery/Distillery	\$59.00	T	410
Transient Merchant	\$85.00	T	345

Wine On Sale-Temporary	\$59.00	T	<u>409</u>
Winery Annual Festival—Temporary	\$59.00	T	<u>409</u>

Class N licenses means those licenses which must be approved or denied by the council. Class N Licenses follow the 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 laid out in [Section 310.02\(2\)](#). The following licenses are so classified, and the numbers shown opposite them correspond to the chapters in the Legislative Code pertaining to each license:

Business Licenses	Fee	Class	Ordinance/ Legislative Code
CLASS N			
Auto Body Repair Shop	\$507.00	N	<u>423</u>
Auto Body Repair/Painting Shop	\$507.00	N	<u>423</u>
Auto Repair Garage	\$507.00	N	<u>423</u>
Bingo Hall	\$229.00	N	403
Cabaret—Class A	\$210.00	N	<u>322</u>
Cabaret—Class B	\$210.00	N	<u>426</u>
Conversation/Rap Parlor(A)	\$405.00	N	<u>413</u>
Conversation/Rap Parlor (B)	\$405.00	N	<u>413</u>
Culinary On Sale—Wine/Malt	\$255.00	N	<u>409</u>
Dance or Rental Halls	\$497.00	N	405

Dance Halls—Exempt	\$0.00	N	405
Entertainment—Extension	\$0.00	N	<u>411</u>
Entertainment (A)	\$278.00	N	<u>411</u>
Entertainment (B)	\$672.00	N	<u>411</u>
Entertainment (C)	\$3,191.00	N	<u>411</u>
Firearms	\$405.00	N	<u>225</u>
Gambling Hall	\$445.00	N	<u>278</u>
Gambling Location	\$84.00	N	<u>225</u>
Gas Station	\$154.00	N	<u>424</u>
Health/Sport Club	\$405.00	N	<u>427</u>
Health/Sport Club—Adult	\$405.00	N	<u>427</u>
Health/Sport Club-Exercise Only Facility	\$405.00	N	<u>427</u>
Infectious Waste Processing Facility	\$1,913.00	N	<u>427</u>
Liquor-Extension of Service Hours	\$405.00	N	<u>409</u>
Liquor—Microdistillery Cocktail Room	\$712.00	N	<u>409</u>
Liquor—Off Sale Micro Distillery	\$205.00	N	<u>409</u>
Liquor Off Sale	\$1,500.00	N	<u>409</u>
Liquor On Sale—100 seats or less	\$5,361.00	N	<u>409</u>
Liquor On Sale—101-180 Seats	\$5,937.00	N	<u>409</u>

Liquor On Sale—181-290 Seats	\$6,360.00	N	<u>409</u>
Liquor On Sale—291 or more Seats	\$6,448.00	N	<u>409</u>
Liquor On Sale—2 AM Closing	\$59.00	N	<u>409</u>
Liquor On Sale—Exempt	\$0.00	N	<u>409</u>
Liquor On Sale—Over 100 seats (B)	\$5,022.00	N	<u>409</u>
Liquor On Sale—Over 200 seats (A)	\$5,454.00	N	<u>409</u>
Liquor On Sale—Sunday	\$200.00	N	<u>409</u>
Liquor On Sale—Sunday—Exempt	\$0.00	N	<u>409</u>
Liquor On Sale—Theater	\$1,914.00	N	<u>409</u>
Liquor On Sale—Additional Family Members	\$62.00	N	<u>409</u>
Liquor On Sale (Government Agencies)	\$0.00	N	<u>409</u>
Liquor On Sale (Small Brewery—128 oz)	\$30.00	N	<u>409</u>
Liquor On Sale-Club under 200 Mbrs—A	\$300.00	N	<u>409</u>
Liquor On Sale-Club 201-500 Mbrs—B	\$500.00	N	<u>409</u>
Liquor On Sale-Club 501-1000 Mbrs—C	\$650.00	N	<u>409</u>
Liquor On Sale-Club 1001-2000 Mbrs—D	\$800.00	N	<u>409</u>
Liquor On Sale-Club 2001-4000 Mbrs—E	\$1,000.00	N	<u>409</u>
Liquor On Sale-Club 4001-6000 Mbrs—F	\$2,000.00	N	<u>409</u>
Liquor On Sale-Club over 6000 Mbrs—G	\$3,000.00	N	<u>409</u>

Liquor-Outdoor Service Area (Patio)	\$85.00	N	<u>409</u>
Liquor-Outdoor Service Area (Sidewalk)	\$40.00	N	<u>409</u>
Malt Off Sale (Brewery)	\$205.00	N	410
Malt Off Sale (Growler)	\$205.00	N	410
Malt Off Sale	\$225.00	N	410
Malt On Sale (3.2)	\$712.00	N	410
Malt On Sale (3.2)—Fee Waived	\$0.00	N	410
Malt On Sale (3.2)—2 AM Closing	\$0.00	N	410
Malt On Sale (Brewery Taproom)	\$712.00	N	410
Malt On Sale (Strong)	\$712.00	N	410
Massage Center—C (Adult)	\$405.00	N	<u>412</u>
Mini Motion Picture Theater-Adult (C)	\$405.00	N	<u>415</u>
Minnesota Currency Exchange	\$405.00	N	<u>381</u>
Motor Vehicle Dealer—New Vehicles	\$405.00	N	401
Motor Vehicle Salvage Dealer	\$405.00	N	<u>422</u>
Motorcycle Dealer	\$210.00	N	401
Parking Lot	\$405.00	N	<u>417</u>
Parking Lot/Parking Ramp	\$405.00	N	<u>417</u>
Parking Ramp (Government)	\$0.00	N	<u>417</u>

Parking Ramp	\$405.00	N	<u>417</u>
Parking Ramp/Garage (Private)	\$396.00	N	<u>417</u>
Pawn Shop	\$3,191.00	N	<u>344</u>
Second Hand Dealer—Motor Vehicle	\$507.00	N	<u>344</u>
Steam Room/Bath House (A)	\$405.00	N	<u>428</u>
Steam Room/Bath House (B)—Adult	\$405.00	N	<u>428</u>
Theaters and Movie Theaters-Drive In	\$210.00	N	<u>416</u>
Transportation Network Company	\$41,115.00	N	<u>373</u>
Wine On Sale	\$2,000.00	N	<u>409</u>
Wine On Sale (Government Agencies)	\$0.00	N	<u>409</u>

Department means the department of safety and inspections.

Director means the director of the department of safety and inspections and/or the director's designee or designees.

Fee means and includes both the license fee and application fee unless otherwise provided.

License means and includes all licenses and permits provided for or covered by these chapters.

License also includes licenses issued by the state under statutory provisions which permit the governing body to disapprove the issuance of such licenses, for the purposes of making procedures in chapter 310 of the Legislative Code applicable to the approval or disapproval of such licenses.

Class N License District Council Notification Form means the form, provided by the Department to the license applicant as part of the Class N License application packet, which must be mailed or personally delivered to the district council by the license/applicant prior to the submission of the application for a license.

Person means and includes any person, firm, corporation, partnership, company, organization, agency, club or any group or association thereof. It shall also include any executor, administrator, trustee, receiver or other representative appointed by law.

Zoning administrator means the official in the department of safety and inspections charged with responsibility for enforcement of the zoning code.

(Ord 22-46, § 2, 11-9-22; Ord 23-32, § 2, 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. 310.04. - Revocation; suspension; adverse actions; imposition of conditions.

- (a) *Council may take adverse action.* The council is authorized to take adverse action, as defined in section 310.01 above, against any or all licenses or permits, licensee or applicant for a license, as provided in and by these chapters. Adverse actions against entertainment licenses issued under chapter 411 of the Legislative Code may be initiated for the reasons set forth in subsection (b) below, or upon any lawful grounds which are communicated to the license holder in writing prior to the hearing before the council. Such actions must be initiated and carried out in accordance with the procedures outlined in section 310.03; provided, however, that the formal notice of hearing must be used to initiate the adverse action.
- (b) *Basis for action.* Such adverse action may be based on one (1) or more of the following reasons, which are in addition to any other reason specifically provided by law or in these chapters:
- (1) The license or permit was procured by misrepresentation of material facts, fraud, deceit or bad faith.
 - (2) The applicant or one acting in his or her behalf made oral or written misstatements or misrepresentations of material facts in or accompanying the application.
 - (3) The license was issued in violation of any of the provisions of the zoning code, or the premises which are licensed or which are to be licensed do not comply with applicable health, housing, fire, zoning and building codes and regulations.
 - (4) The license or permit was issued in violation of law, without authority, or under a material mistake of fact.
 - (5) The licensee or applicant has failed to comply with any condition set forth in the license, or set forth in the resolution granting or renewing the license.
 - (6) a. The licensee or applicant (or any person whose conduct may by law be imputed to the licensee or applicant) has violated, or performed any act which is a violation of, any of the provisions of these chapters or of any statute, ordinance or regulation reasonably related to the licensed activity, regardless of whether criminal charges have or have not been brought in connection therewith;
 - b. The licensee or applicant has been convicted of a crime that may disqualify said applicant from holding the license in question under the standards and procedures in Minn. Stat.s chapter 364; or
 - c. The licensee or applicant (or any person whose conduct may by law be imputed to the licensee or applicant) has engaged in or permitted a pattern or practice of conduct of failure to comply with laws reasonably related to the licensed activity or from which an inference of lack of fitness or good character may be drawn.
- (7)

The activities of the licensee in the licensed activity created or have created a serious danger to the public health, safety or welfare, or the licensee performs or has performed his or her work or activity in an unsafe manner.

- (8) The licensed business, or the way in which such business is operated, maintains or permits conditions that unreasonably annoy, injure or endanger the safety, health, morals, comfort or repose of any considerable number of members of the public.
- (9) Failure to keep sidewalks or pedestrian ways reasonably free of snow and ice as required under chapter 114 of the Saint Paul Legislative Code.
- (10) The licensee or applicant has shown by past misconduct or unfair acts or dealings: physical abuse, assaults or violent actions done to others, including, but not limited to, actions meeting the definition of criminal sexual conduct pursuant to Minn Stats. §§ 609.342 through 609.3451; sexual abuse, physical abuse or maltreatment of a child as defined in Minn. Stats. § 626.556, subdivisions 2 and 10e, including, but not limited to, acts which constitute a violation of Minn. Stats. §§ 609.02, subdivision 10; 609.321 through 609.3451; or 617.246; neglect or endangerment of a child as defined in Minn. Stats. § 626.557, subdivision 2; the manufacture, distribution, sale, gift, delivery, transportation, exchange or barter of a controlled substance as defined in Minn. Stats. chapter 152; the possession of a controlled substance as defined in Minn. Stats. chapter 152 in such quantities or under circumstances giving rise to a reasonable inference that the possession was for the purpose of sale or distribution to others; or by the abuse of alcohol or other drugs, that such licensee or applicant is not a person of the good moral character or fitness required to engage in a licensed activity, business or profession.
- (11) The licensee or applicant has materially changed or permitted a material change in the design, construction or configuration of the licensed premises without the prior approval of the city council in the case of Class N licenses, the director in the case of Class T licenses, and the director in the case of Class R licenses, or without first having obtained the proper building permits from the city.
- (12) The licensee or applicant has violated section 294.01 of the Legislative Code, or has made or attempted to make a prohibited ex parte contact with a council member as provided in section 310.03 (c-2) of the Legislative Code.
- (13) The licensee violated the law or any license condition and that violation is related to a death or great bodily harm, as defined in Minn. Stats. § 609.02, subd. 8, in or near the establishment.
- (14) The licensee has failed to pay license fees within sixty (60) days of the date the fees are due. Licensee must pay any outstanding fees and delinquent fees in total. Failure to do so within sixty (60) days of the due date may result in revocation of the license. A revocation for this reason, however, is not considered a revocation resulting from misconduct or unfitness of the

licensee, 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. Therefore, the requirement of section 310.02 prohibiting re-application within one (1) year of revocation shall not apply to revocations under this paragraph.

The terms "licensee" or "applicant" for the purpose of this section means and includes any person who has any interest, whether as a holder of more than five (5) percent of the stock of a corporation, as a partner, or otherwise, in the premises or in the business or activity which are licensed or proposed to be licensed.

With respect to any license for activities entitled to the protection of the First Amendment, notwithstanding the foregoing provisions, neither the lack of good moral character or fitness of the licensee or applicant nor the content of the protected speech or matter must be the basis for adverse action against the license or application.

- (c) *Imposition of reasonable conditions and/or restrictions.* When a reasonable basis is found to impose reasonable conditions and/or restrictions upon a license issued or held under these chapters, any one (1) or more such reasonable conditions and/or restrictions may be imposed upon such license for the purpose of promoting public health, safety and welfare, of advancing the public peace and the elimination of conditions or actions that constitute a nuisance or a detriment to the peaceful enjoyment of urban life, or promoting security and safety in nearby neighborhoods. Such reasonable conditions and/or restrictions may include or pertain to, but are not limited to:
- (1) A limitation on the hours of operation of the licensed business or establishment, or on particular types of activities conducted in or on said business or establishment;
 - (2) A limitation or restriction as to the location within the licensed business or establishment where particular type of activities may be conducted;
 - (3) A limitation as to the means of ingress or egress from the licensed establishment or its parking lot or immediately adjacent area;
 - (4) A requirement to provide off-street parking in excess of other requirements of law;
 - (5) A limitation on the manner and means of advertising the operation or merchandise of the licensed establishment;
 - (6) Any other reasonable condition or restriction limiting the operation of the licensed business or establishment to ensure that the business or establishment will harmonize with the character of the area in which it is located, or to prevent the development or continuation of a nuisance.

The director may recommend the imposition of such reasonable conditions and/or restrictions as an adverse action against the license or licenses. The council may impose such conditions with the consent of the license holder, as an adverse action against the license or licenses following notice and hearing as may be required. Such conditions may be imposed on a license or licenses upon issuance or renewal thereof, or upon and as part of any adverse action against a license or licenses, including suspension. Conditions imposed on a license or licenses will remain on such licenses when renewed and must continue thereafter until removed by the council.

- (d) Restrictions on intoxicating liquor, nonintoxicating and malt liquor licenses. When a reasonable basis is found by the council to impose restrictions or conditions upon an intoxicating liquor license held under this chapter, the council, upon issuing a new license or renewing a license or approving a transfer of a license, may impose reasonable conditions and restrictions pertaining to the manner and circumstances in which the business to preserve the public peace and protect and promote good order and security. These reasonable conditions or restrictions may pertain to:
 - (1) The hours when intoxicating liquor may be sold and/or consumed on the licensed premises;
 - (2) The exact location within a building where intoxicating liquor will be served and/or sold and/or consumed;
 - (3) The means of ingress to or egress from the licensed establishment;
 - (4) A requirement that certain off-street parking facilities be provided;
 - (5) A condition that the license will be in effect only so long as the establishment remains a drugstore, restaurant or hotel as defined by the state liquor act or regulations adopted pursuant thereto;
 - (6) The means and methods of advertising the sale of intoxicating liquor on the building and/or on the premises adjacent thereto;
 - (7) Reasonable conditions limiting the operation of the licensed premises so as to ensure that the licensed business will comport with the character of the district in which it is located and/or to the end that nuisances will be prevented; and
 - (8) Additional conditions upon hotels and restaurants which may in the discretion of the council tend to ensure that the sale of liquor will take place only in conjunction with the sale and service of food.
- (e) *Standards for multiple license determination.* In any case in which the council is authorized to take adverse action against less than all of the licenses held by a licensee, or applied for by an applicant, the following standards may be used:
 - (1) The nature and gravity of the grounds found by the council to exist upon which the adverse action would be based;
 - (2)

The policy and/or regulatory goals for the particular licenses involved, either as embodied in the Legislative Code or as found and determined by the council;

- (3) The interrelationship of the licenses and their relative importance to the overall business enterprise of the licensee or applicant;
- (4) The management practices of the licensee or applicant with respect to each of such licenses;
- (5) The extent to which adverse action against less than all of the licenses or applications would result in difficulty in enforcing and monitoring the adverse action taken;
- (6) The hardship to the licensee or applicant that would be caused by applying adverse action to all licenses or applications; and
- (7) The hardship and/or danger to the public, or to the public health and welfare, that would result from adverse action against less than all of the licenses or applications.

(Ord 22-46, § 5, 11-9-22)

297F.21 CONTRABAND.

Subdivision 1. **Contraband defined.** The following are declared to be contraband and therefore subject to civil and criminal penalties under this chapter:

(a) Cigarette packages which do not have stamps affixed to them as provided in this chapter, including but not limited to (i) packages with illegible stamps and packages with stamps that are not complete or whole even if the stamps are legible, and (ii) all devices for the vending of cigarettes in which packages as defined in item (i) are found, including all contents contained within the devices.

(b) A device for the vending of cigarettes and all packages of cigarettes, where the device does not afford at least partial visibility of contents. Where any package exposed to view does not carry the stamp required by this chapter, it shall be presumed that all packages contained in the device are unstamped and contraband.

(c) A device for the vending of cigarettes to which the commissioner or authorized agents have been denied access for the inspection of contents. In lieu of seizure, the commissioner or an agent may seal the device to prevent its use until inspection of contents is permitted.

(d) A device for the vending of cigarettes which does not carry the name and address of the owner, plainly marked and visible from the front of the machine.

(e) A device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner or of a person operating with the consent of the owner for the storage or transportation of more than 5,000 cigarettes which are contraband under this subdivision. When cigarettes are being transported in the course of interstate commerce, or are in movement from either a public warehouse to a distributor upon orders from a manufacturer or distributor, or from one distributor to another, the cigarettes are not contraband, notwithstanding the provisions of clause (a).

(f) A device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner, or of a person operating with the consent of the owner, for the storage or transportation of untaxed tobacco products intended for sale in Minnesota other than those in the possession of a licensed distributor on or before the due date for payment of the tax under section 297F.09, subdivision 2.

(g) Cigarette packages or tobacco products obtained from an unlicensed seller.

(h) Cigarette packages offered for sale or held as inventory in violation of section 297F.20, subdivision 7.

(i) Tobacco products on which the tax has not been paid by a licensed distributor.

(j) Any cigarette packages or tobacco products offered for sale or held as inventory for which there is not an invoice from a licensed seller as required under section 297F.13, subdivision 4.

(k) Cigarette packages which have been imported into the United States in violation of United States Code, title 26, section 5754. All cigarettes held in violation of that section shall be presumed to have entered the United States after December 31, 1999, in the absence of proof to the contrary.

(l) Cigarettes subject to forfeiture under section 299F.854, subdivision 5, and cigarette packaging and markings, including the cigarettes contained therein, which do not meet the requirements under section 299F.853, paragraph (a).

Subd. 2. **Seizure.** Cigarettes, tobacco products, or other property made contraband by subdivision 1 may be seized by the commissioner or authorized agents or by any sheriff or other police officer, with or without process, and are subject to forfeiture as provided in subdivision 3.

Subd. 3. **Inventory; judicial determination; appeal; disposition of seized property.** (a) Within ten days after the seizure of any alleged contraband, the person making the seizure shall serve by certified mail an inventory of the property seized on the person from whom the seizure was made, if known, and on any person known or believed to have any right, title, interest, or lien in the property, at the last known address, and file a copy with the commissioner. The notice must include an explanation of the right to demand a judicial forfeiture determination.

(b) Within 60 days after the date of service of the inventory, which is the date of mailing, the person from whom the property was seized or any person claiming an interest in the property may file a demand for a judicial determination of the question as to whether the property was lawfully subject to seizure and forfeiture. The demand must be in the form of a civil complaint and must be filed with the court administrator in the county in which the seizure occurred, together with proof of service of a copy of the complaint on the commissioner of revenue, and the standard filing fee for civil actions unless the petitioner has the right to sue in forma pauperis under section 563.01. If the value of the seized property is \$15,000 or less, the claimant may file an action in conciliation court for recovery of the property. If the value of the seized property is less than \$500, the claimant does not have to pay the conciliation court filing fee.

(c) The complaint must be captioned in the name of the claimant as plaintiff and the seized property as defendant, and must state with specificity the grounds on which the claimant alleges the property was improperly seized and the plaintiff's interest in the property seized. No responsive pleading is required of the commissioner, and no court fees may be charged for the commissioner's appearance in the matter. The proceedings are governed by the Rules of Civil Procedure. Notwithstanding any law to the contrary, an action for the return of property seized under this section may not be maintained by or on behalf of any person who has been served with an inventory unless the person has complied with this subdivision. The court shall decide whether the alleged contraband is contraband, as defined in subdivision 1. The court shall hear the action without a jury and shall try and determine the issues of fact and law involved.

(d) When a judgment of forfeiture is entered, unless the judgment is stayed pending an appeal, the commissioner:

(1) may authorize the forfeited property to be used for the purpose of enforcing a criminal provision of state or federal law;

(2) shall cause forfeited cigarette packages or tobacco products not used under clause (1) to be destroyed and products used under clause (1) to be destroyed upon the completion of use; and

(3) may cause the forfeited property, other than forfeited cigarette packages or tobacco products, to be sold at public auction as provided by law.

The person making a sale, after deducting the expense of keeping the property, the fee for seizure, and the costs of the sale, shall pay all liens according to their priority, which are established as being bona fide and as existing without the lienor having any notice or knowledge that the property was being used or was intended to be used for or in connection with the violation. The balance of the proceeds must be paid 75 percent to the Department of Revenue for deposit as a supplement to its operating fund or similar fund for official use, and 25 percent to the county attorney or other prosecuting agency that handled the court proceeding, if there is one, for deposit as a supplement to its operating fund or similar fund for prosecutorial

purposes. If there is no prosecuting authority involved in the forfeiture, the 25 percent of the proceeds otherwise designated for the prosecuting authority must be deposited into the general fund.

(e) If no demand for judicial determination is made, the property seized is considered forfeited to the state by operation of law and may be disposed of by the commissioner as provided in the case of a judgment of forfeiture.

Subd. 4. [Repealed, 1Sp2001 c 5 art 18 s 11]

History: 1997 c 106 art 1 s 21; 2000 c 490 art 10 s 20,21; 2000 c 496 s 1; 1Sp2001 c 5 art 18 s 6-8; 2008 c 154 art 7 s 3; 2008 c 366 art 14 s 7; 2012 c 283 s 3; 2018 c 182 art 1 s 88