City of North St. Paul
City Council
Workshop Meeting Agenda

November 19, 2024
5:15 PM

The City Council Workshop Meeting will be conducted on **November 19, 2024** at 5:15 p.m. in the Council Chambers at City Hall, located at 2400 Margaret St., North St. Paul.

You can watch the meeting on our YouTube channel here: **tinyurl.com/NSPYouTube**

I. Call to Order

II. Roll Call

Council Member Cole
Council Member Schweer
Council Member Wong
Council Member Nordby
Mayor Monge

III. Adopt Agenda

IV. Topic(s)

A. Discuss Cannabis Ordinance

B. Discuss Revenue Options

V. Other Business

VI. Adjournment

The next regularly scheduled City Council Workshop meeting is December 3, 2024.

NORTH ST. PAUL
extraordinary.

Agenda Information Memorandum

To	Date
Honorable Mayor Monge and City Council	November 19, 2024

Agenda Placement # IV.A

Topic(s)

Subject

Discuss Cannabis Ordinance

Background/Facts

With the recently approved adult-use cannabis act approved by the State Legislature, the City Council should consider drafting a proposed ordinance to control cannabis sales locations within the City.

Recommended Action

The City Council should consider the attached information, discuss, and direct Staff accordingly for a proposed cannabis sales ordinance.

Attachments

1. 24.11.19 CC Work Session Cannabis Ordinance Staff Memo
2. Cambell Knutson Legal Cannabis Use Memorandum
3. 750 Foot Schools Map - Cannabis
4. 500 Foot Amenities and Group Homes Map - Cannabis

Respectfully submitted,
Riley Grams, Community Development / Community Services Director

City Council Work Session
Staff Report

Report To: North St. Paul City Council

Report From: Riley Grams, Community Development Director

Meeting Date: November 19, 2024

Agenda Item: Discuss Cannabis Ordinance

Action Requested:	☐ Motion	☒ Discussion	☐ Public Hearing	
Form of Action:	☐ Resolution	☐ Ordinance	☐ Contract/Agreement	☒ Other

---

RECOMMENDED ACTIONS

Discuss the Staff recommendations for a new Cannabis Ordinance and direct Staff accordingly

---

BACKGROUND

The State Legislature recently approved legal adult-use cannabis consumption in the State of Minnesota, and the Office of Cannabis Management (OCM) is expected to begin issuing licenses in early 2025. Even though the licensing and registration process for these products will largely be handled by the State through the OCM, Cities will retain a limited role in dictating available locations within each municipality where cannabis sales, production, etc. can operate, particularly in the areas of land use.

Attached is a memorandum from the City Attorney that outlines potential local control options authorized by the cannabis act and suggests considerations that each City must consider when developing a new ordinance. It is important to note the difference between cannabis, hemp, and medical cannabis. Cities have limited regulations on these products. Hemp products are currently legally sold under MN State Statute 151.72. This discussion is intended to focus on higher THC potency products that will be sold legally beginning sometime in 2025.

PROHIBITION:

First and foremost, it's important to note that Cities cannot ban or prohibit the possession, transportation, or use of cannabis or hemp products (MN State Statute 342.12(a)). Cities are also not allowed to ban the operation of business licenses under the cannabis act. Cities may only enact "reasonable" restrictions (meaning, not outright banning or prohibiting cannabis operations). Cities will need to ensure that they are not effectively banning these operations through local zoning controls allowed under the State Statute. Enacting a de facto ban is not allowed.

ZONING:

Cities are allowed to control the location of cannabis sales through local zoning authority to "adopt a reasonable restriction on the time, place and manner" of cannabis businesses. Cities may restrict such operations to certain zoning districts, set them as conditional uses (which provides Cities with an extra level of review), and any other applicable land use restriction. Additionally, Cities may restrict cannabis operations within certain commercial or retail districts that are deemed historic or part of a notable downtown main street area. Any restrictions on cannabis operations must be based on specific factual findings from the Council demonstrating why a given area is unsuitable for such activities.

STAFF RECOMMENDATION:
Staff recommends that the City prohibit cannabis operations in all zoning districts except for the MU-2 (Transitional Mixed Use) and MU-3 (Corridor Mixed Use) zoning districts. Cannabis operations would not be allowed in the MU-1 (Downtown Mixed Use) zoning district as that area is generally defined as North St. Paul’s historic downtown main street. The City Council would need to make a factual finding to restrict cannabis operations in the MU-1 zone because of the historic downtown corridor (and Staff would work with the City Attorney’s office to draft a finding of facts for the Council to consider). There appear to be sufficient properties in the MU-2 and MU-3 zoning district to allow for cannabis operations. Staff also recommends the City require a Conditional Use Permit (CUP) for cannabis operations within the City, which would give the City an additional layer of review and approval. This would require an application process, a public hearing at a Planning Commission meeting, a review and recommendation from the Planning Commission, and eventually a final approval from the City Council. The City would be restricted on what kinds of conditions it can impose on a cannabis business per State Statue, however.

MINIMUM DISTANCE FROM SCHOOLS AND PARKS:
The cannabis act states that Cities may prohibit cannabis operations within 1,000 feet (or less) of schools, and 500 feet (or less) from any daycare, residential treatment facility, or “attraction within a public park that is regularly used by minors.” It’s interesting to note that the State Statue does not define “park attraction” but that it’s clear that it likely means something more specific than park properties. This may present some practical difficulties in measuring distances from “attractions” within a park. Attractions are generally thought of as ballfields, playgrounds, or water features. Staff will have to consider these distances on a case-by-case basis to ensure that the City follows the State Statute appropriately. Staff also notes that the MN DNR manages the Gateway Trail and would likely not qualify as a “park attraction” since it is owned and operated outside of the City’s umbrella.

STAFF RECOMMENDATION:
Staff recommends the City impose a 750-foot minimum distance from schools and a 500-foot minimum distance from daycares, residential treatment facilities, or park attractions. Attached in the packet you will note several maps outlining the 750-foot distance from schools and the 500-foot distance from daycares, residential treatment facilities, and park attractions.

HOURS OF OPERATION:
State law allows for cannabis operations to operate between 10:00am and 9:00pm and that businesses cannot operate between 2:00am and 8:00am (or 10:00am on Sundays). Cities may pass ordinances restricting operation during the hours not specifically listed (9:00pm to 2:00am, and 8:00am to 10:00am). Many Cities have mirrored liquor store operating hours.

STAFF RECOMMENDATION:
Staff recommends that the City attempt to mirror existing liquor store operations as much as possible to avoid any potential legal challenges, that are within the State law allowances. The recommendation is to

allow operations on Monday through Saturday 10:00am to 10:00pm, and on Sunday 10:00am to 9:00pm.

NUMBER OF REGISTRATIONS:

There are a total of six different available State-issued licenses for cannabis operations (from manufacturing to retail sales). Cities may limit the number of registrations for three of those six licenses (cannabis retailers, microbusinesses, and mezzobusinesses). Registrations for these three licenses may be capped at not less than 1 per 12,500 residents ("not less" means there is no rounding down – For example: if a City had 12,501 residents, the City must issue two). Population is defined as the most recent State demographer data (of which, North St Paul has 13,015 residents).

STAFF RECOMMENDATION:
Staff recommends the City cap the number of cannabis registrations at two.

OTHER CONSIDERATIONS:

There are a few other minor considerations that Cities may impose. These are outlined in the attached memo from the City Attorney.

STAFF RECOMMENDATION:
Staff recommends the following additional items:

- Adopt more specific definitions for "enclosed," "locked," and "public view" as zoning controls in residential districts relating to homegrown requirements.
- Adopt a minimum distance of 500 feet between two cannabis operations within the City.
- Prohibit outdoor seating and smoking areas at cannabis businesses.

WHAT ARE OUR NEIGHBORS DOING:

Another consideration should be what our neighboring communities are doing when it comes to cannabis operations. Staff has reached out to Oakdale and Maplewood to gauge how they will handle cannabis operations. Please note that these findings are not yet formally approved or adopted by those communities. These are simply general outlines of what those communities are currently considering:

Maplewood:

- Allowed in commercial districts where tobacco and liquor are allowed (no other special zoning restrictions)
- 500-foot minimum distance from schools, daycares, residential treatment facilities, and park attractions
- No cap on the number of registrations (population of 41,989 residents meaning they would have to allow four registrations if the City capped it at 1 per 12,500)

Oakdale:

- Cap the number of registrations (population of 28,169 residents meaning they are capping it at three registrations
- 1000-foot minimum distance for schools, and 500-foot minimum distance for daycares, treatment facilities, or park attractions
- Allowed only in the C-1 or C-2 zoning districts

The City Council should discuss the above questions and provide direction to City Staff for the development and drafting of a new ordinance regarding cannabis operations. Staff will bring the draft ordinance to the Planning Commission at their next meeting (December 5) to hold a public hearing for a recommendation to the City Council. That recommendation will come to the City Council at the December 17 meeting for approval.

ATTACHMENTS

1. Memorandum from the City Attorney's office for cannabis considerations
2. Maps highlighting the recommended minimum distances from specific uses within the City

MEMORANDUM

FROM: CAMPBELL KNUTSON
TO: NORTH ST. PAUL PLANNING STAFF
DATE: OCTOBER 25, 2024
RE: CANNABIS AND HEMP ZONING CONTROLS

Minnesota Statutes, Chapter 342, legalized adult-use cannabis and certain hemp THC products. The licensing and regulation process for these products will be largely handled by the State through the new Office of Cannabis Management (OCM). However, Cities retain a limited role, particularly in the land use and planning areas. This memorandum considers potential local controls authorized or suggested by the new cannabis act, and suggests considerations for any future zoning ordinance.

It is also important to remain aware of the distinction between cannabis, hemp, and medical cannabis. The city's ability to regulate these products varies under state law in some specific instances. Hemp products may also currently be sold under Minn. Stat. § 151.72, so there may be preexisting use concerns. This memorandum largely treats these products together, with specific notes where the city's authority differs. There may also be further differences or restrictions as OCM begins to develop its regulations.

I. CITY MAY NOT BAN CANNABIS OR HEMP

Cities are specifically preempted from banning possession, transportation, or use of cannabis or hemp products allowed under state law. Minn. Stat. § 342.13(a). Cities are also preempted from banning the operation of businesses licensed under the new state regulations. Minn. Stat. § 342.13(b). The new law also provides that cities may enact only "reasonable" restrictions—i.e. nothing amounting to a ban on cannabis, or cannabis businesses. Minn. Stat. § 342.13(c). In considering an overall regulatory approach, the city will need to ensure that it is not banning individuals or businesses, or enacting any control that could be considered a de facto ban.

II. GENERAL AUTHORITY TO IMPOSE ZONING CONTROLS

The cannabis act grants municipalities general zoning authority to "adopt reasonable restrictions on the time, place, and manner" of cannabis businesses. Minn. Stat. § 342.13(c). This grants the city the authority to enact general zoning controls over cannabis or hemp businesses. The city may restrict such businesses to certain zoning districts, set them as conditional uses, set lot size and setback requirements, etc. These businesses will also be subject to any generally applicable code provisions, such as nuisance, parking, snow removal, landscaping, outdoor storage, fencing, or architectural standards.

The city should, at minimum, set which zoning districts hemp and cannabis businesses may operate within. We have generally seen cities mimic their preexisting zoning designation for liquor stores or tobacco stores, whether that be general retail or certain specific districts.

The city should also consider reviewing its general business performance standards to ensure that there are no potential oversights.

We have also seen some communities require a CUP to operate cannabis or hemp businesses, requiring an affirmative showing of anticipated traffic and noise impacts, smell or other potential nuisance characteristics, land use compatibility with surrounding uses, or other specific concerns. Note, however, that the City is preempted from adopting any conditions that conflict with State licensure conditions. Potential conditions should be discussed with the City Attorney before adoption to ensure compliance. For example, the state license application requires an approved "security plan" and has restrictions on the visibility of products for sale. The city may therefore be preempted from including certain security or visibility requirements in a CUP.

III. SPECIFIC STATUTORY PERFORMANCE STANDARDS

The cannabis act also contemplates certain specific performance standards:

Minimum Distance from Schools and Parks. The act states that cities may prohibit the operation of cannabis businesses within 1,000 feet of schools, or 500 feet of any day care, residential treatment facility, or "attraction within a public park that is regularly used by minors," (e.g. playgrounds, athletic fields, public water features). Although written as a grant of authority, this functions as a cap—that is, the city cannot impose a distance requirement of more than 1,000 feet from a school, but could impose a lower distance if it desired.

The statute only discusses these distances with regard to cannabis businesses. However, under the city's general zoning power it would also be free to adopt similar restrictions for hemp businesses.

Note in particular that "attraction within a public park that is regularly used by minors" is not defined in the statute. However, it is clear that it means something more specific than "park properties," so the setback cannot be calculated from the property boundary at the nearest park. This is going to present significant practical enforcement difficulties. The statute lists athletic fields as an example "attraction." But, for example, there is often no clear line around many baseball fields where the outfield becomes the main park again. Adopting this setback would likely require some significant discretion by city staff in determining where exactly to measure from.

Hours of Operation. The state law provides that cannabis business *can* operate between 10:00 am and 9:00 pm, and businesses *cannot* operate between 2:00 am and 8:00 am (10:00 am on Sundays). Cities may pass ordinances restricting operations during the hours not specifically listed (9:00 pm to 2:00 am and 8:00 am to 10:00 am). We have generally seen communities mirror liquor store hours of operation.

Again, the statute only mentions cannabis businesses, but there is no restriction against adopting similar restrictions for hemp businesses. These restrictions should not be more restrictive than the requirements for cannabis businesses to avoid legal challenge.

Number of Registrations. To operate, businesses require a state license. Six types of business then also require a local registration: cannabis retailers, cannabis microbusinesses, cannabis mezzobusinesses, medical cannabis retailers, medical cannabis combination businesses, and hemp edible retailers. The city may limit the number of registrations for three of these six: cannabis retailers, microbusinesses, and mezzobusinesses. Registrations for these three may be capped at not less than 1 per 12,500 city residents. "Not less than" means there is no rounding down—i.e. a city with 12,501 residents must issue 2 registrations. The city could also set a cap at some number above the minimum, or not set a cap. North St. Paul would currently have to issue 2 of the restricted registrations.

The city does not have the authority to restrict the number of registrations issued to hemp businesses, non-retail cannabis businesses, or medical cannabis businesses.

IV. OTHER SPECIFIC CONSIDERATIONS

Home Growing Requirements. The act allows individuals to grow their own cannabis plants at their primary residence, up to 8 plants per *residence* (not per resident). These plants must be grown in "an enclosed, locked space that is not open to public view." The act does not define "enclosed," "locked," or "public view." The city could therefore adopt more specific definitions of these terms as zoning controls in residential districts.

Flavored Product Bans. Several cities have adopted bans on flavored tobacco products (i.e., flavored vapes). The city could adopt a similar ban on the sale of flavored cannabis products. Note that flavors are explicitly allowed for edible products; such a ban could cover only inhaled products.

Other licenses. Hemp products are often sold by businesses that otherwise deal in regulated products, including tobacco stores, and bars or restaurants with on-sale liquor licenses. The city may wish to tie these licenses together to create more effective enforcement authority. The cannabis act provides that illegal sales of cannabis and hemp products in some cases carry penalties towards other licenses. By state law, if a licensed tobacco store has its hemp edibles license or registration revoked, or is convicted of illegal sales of cannabis or hemp, the store's tobacco license must be suspended for not less than 7 days and may be revoked. Minn. Stat. § 461.12, subd. 2a.

Cities may also impose more restrictive conditions on tobacco or liquor licenses. Minn. Stat. §§ 340A.509 (liquor); 461.19 (tobacco). The city may wish to make compliance with cannabis and hemp laws a condition of a tobacco or liquor license. Thus, a tobacco store that sold hemp edibles with more than the allowable amount of THC could face administrative license enforcement. This grants the city the ability to ensure compliance without needing to secure a criminal conviction before taking action. Depending on the specific product sold, an illegal hemp product may already be a license violation. However, to make this connection clear and as unambiguous as possible, it is likely advisable to state it directly in the code.

Minimum distance requirements. The act specifically contemplates a minimum distance between cannabis businesses and schools and certain other facilities. Although not specifically contemplated by the statute, the city could also consider other minimum distance requirements. For example, the city could require a minimum distance between two cannabis or hemp businesses. We have also seen communities in other states impose a minimum distance between cannabis or hemp businesses and residential zones. To forestall challenges, this should likely be no greater than the 500-foot minimum distance between cannabis businesses and day cares. That distance is set by state law, and it may be difficult to justify a larger distance between businesses than between a business and a place minors congregate.

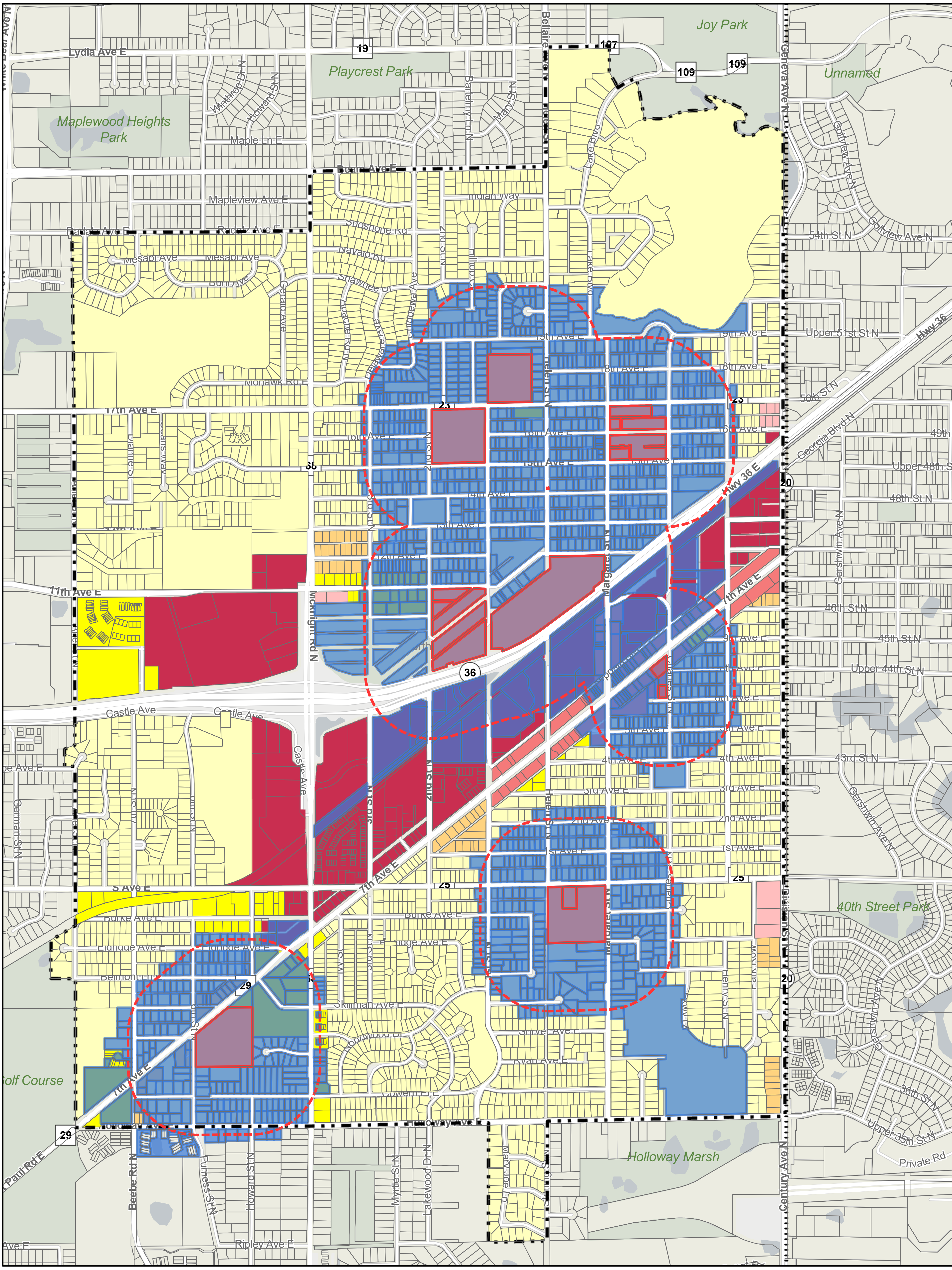
Odor. We have heard several cities raise concerns about potential odor, especially from cultivation or production facilities. OCM has been directed to create regulations dealing with odor from cannabis businesses. However, the city could also consider adopting local odor controls as part of zoning or nuisance controls.

Specific site restrictions. The city could carve out specific areas even within retail districts where cannabis and hemp businesses are not allowed (e.g., businesses can be located in a central business district but not on a historic main street). Note that any such restrictions would need to be based on specific factual findings from the council as to why a given location is not suitable for sales.

Smoking or seating restrictions. Smoking is not allowed in indoor public spaces, and "on-sale" cannabis does not appear to be allowed by state licensure. However, we have sometimes seen tobacco stores maintain outdoor seating areas, which patrons can then choose on their own to use for smoking. The city could adopt restrictions prohibiting outdoor seating areas at cannabis businesses. This is likely not a concern at hemp businesses, as no smoke-able hemp products are legal under state law.

Reporting. The city could consider performance standards requiring the disclosure to the city of any adverse action by other regulators, e.g., if the business fails compliance inspections or receives a cease and desist letter from OCM relating to a product or business practice. The state should be reporting these actions as well, but it could also be incorporated into local code.

750 Schools



Municipal Boundary

Address Label

R1: Single Family Residential

R2: Mixed Residential

R3: Multiple Family Residential

MU1: Downtown Mixed-Use

MU2: Transitional Mixed-Use

MU3: Corridor Mixed-Use

1 in = 1,497 Ft

N

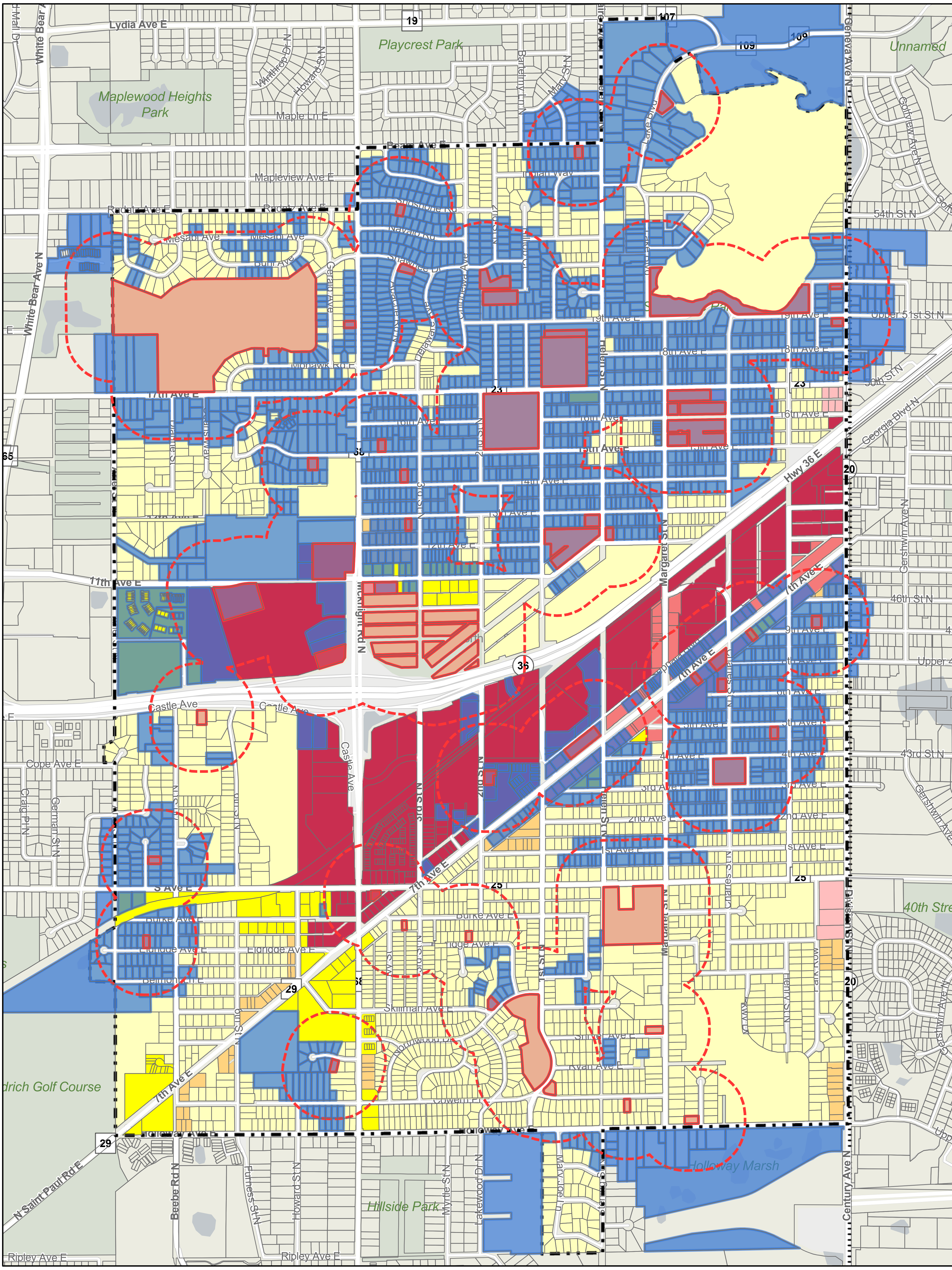
November 5, 2024

Map Powered By Datafi

NORTH ST.PAUL *extraordinary.*

wsb

500 Park Amenities and Day Cares/Group Homes



Municipal Boundary

Address Label

R1: Single Family Residential

R2: Mixed Residential

R3: Multiple Family Residential

MU1: Downtown Mixed-Use

MU2: Transitional Mixed-Use

MU3: Corridor Mixed-Use

1 in = 1,449 Ft

N

November 5, 2024

Map Powered By Datafi

NORTH ST.PAUL *extraordinary.*

wsb

NORTH ST. PAUL
extraordinary.

Agenda Information Memorandum

To	Date
Honorable Mayor Monge and City Council	November 19, 2024

Agenda Placement # IV.B

Topic(s)

Subject

Discuss Revenue Options

Background/Facts

Staff has prepared some revenue options for City Council to discuss and consider whether they would like staff to gather more information. Staff encourages City Council to provide additional revenue options for staff to explore.

Recommended Action

For discussion and direction.

Attachments

1. Revenue Options 11.19.24
2. 1 Process to Obtain Local Sales Tax Authority - League of Minnesota Cities
3. 2 Senate Taxes Committee Seeks Input on Local Sales Tax Proposal - League of Minnesota Cities
4. 3 Operating a Municipal Liquor Store
5. 4 Analysis of Municipal Liquor Store Operations - OSA
6. 5 Special Assessment Toolkit
7. 6 A Guide for Local Minnesota Governments on Adult-Use Cannabis V1.4

Respectfully submitted,
Daniel Winek, Finance Director

REVENUE OPTIONS

November 19, 2024

City of North St. Paul

REVENUE OPTIONS

- Central Business District (“CBD”) Sidewalk Snow Removal Fee
- Sales Tax
- Municipal Liquor Store
- Special Assessments
- Municipal Cannabis Store
- Other Fees

CBD SIDEWALK SNOW REMOVAL FEE

- Financial records indicate 1998 - 1999 season was the first to charge a CBD Sidewalk Snow Removal Fee.
- Financial records indicate 2018 – 2019 season was the last to charge a CBD Sidewalk Snow Removal Fee.
- Over 90 properties were charged the CBD Sidewalk Snow Removal Fee for the 2018 – 2019 season.
- Calculation of fee:
  - Fee for the majority of properties was based on front footage of property.
  - Some properties were given a flat fee.
  - Fee was determined after the snow season.
  - Total costs to be recovered were calculated as follows:
    - Total vendor charges plus ½ of total vendor charges for North St. Paul staff and equipment time.

CBD SIDEWALK SNOW REMOVAL FEE

- Fees not collected were included in the City's delinquent utilities process and assessed to the property.
- Vendor Costs for CBD Sidewalk Snow Removal over past 10 years:
  - Highest paid was in 2023 in the amount of $37,531.88.
  - Lowest paid was in 2015 in the amount of $7,440.00.
  - 10-year average was in the amount of $17,714.81.
- Annual revenue recognized for CBD Sidewalk Snow Removal over last 10 years of the fee:
  - Highest paid was in 2013 in the amount of $21,000.78.
  - Lowest paid was in 2016 in the amount of $5,941.40.
  - 10-year average was in the amount of $13,804.79.
- Potential annual revenue based on information provided - $26,572.22.

SALES TAX

- **During the 2023 legislative session, the state imposed a moratorium on new local option sales taxes. At this point, they will not consider requests during the 2024 or 2025 legislative sessions. A task force will convene in July 2023 and issue recommendations in early 2024 for how to treat future requests.**

- Local option sales taxes can only be used for “regionally significant” capital projects.

- Steps of the statutory process:
  - Adopt a resolution - city council must first adopt a resolution proposing the tax.
  - Submit resolution and supporting materials to state tax committees.
  - Get legislative authorization.
  - Adopt a resolution **-** city must adopt a resolution accepting the new law.
  - Hold a referendum - city must conduct a referendum during a general election within two years of receiving legislative authority for the local sales tax.
  - Pass an ordinance - city council must pass an ordinance imposing the tax.

- Notification requirements:
  - Provide notice on the city website.
  - Provide notice on billing statements.

SALES TAX – PROPOSED CHANGES

- **Senate Taxes Committee Seeks Input on Local Sales Tax Proposal**

- The bill would limit the authority to regional projects, such as:
  - Community centers.
  - Athletic complexes.
  - Convention centers.
  - Parks and trails located outside the metro that meet specific requirements.
  - Certain criminal justice facilities.
- The bill would also limit the maximum rate that could be imposed under this authority to .5%.

SALES TAX – POTENTIAL REVENUE

MINNESOTA SALES AND USE TAX STATISTICS
NORTH ST PAUL CITY BY INDUSTRY 2022.XLSX

1

YEAR	CITY	INDUSTRY	GROSS SALES	TAXABLE SALES	SALES TAX	USE TAX	TOTAL TAX	NUMBER
2022	NORTH ST PAUL	236 CONSTRUCT -BUILDINGS	$4,899,895	$89,493	$6,152	$14,469	$20,621	4
2022	NORTH ST PAUL	238 CONSTRUCT -SPECIAL TRADES	$38,760,780	$554,122	$38,096	$10,223	$48,319	5
2022	NORTH ST PAUL	454 RETL -NONSTORE RETAILERS	$15,320	$15,110	$1,039	$3	$1,042	4
2022	NORTH ST PAUL	457 RETL -GASOLINE STATIONS	$38,578,739	$6,135,936	$421,841	-$5,416	$416,425	5
2022	NORTH ST PAUL	459 RETL -LEISURE GOODS, ALL OTHER MISECELLANEOUS RETAILERS	$5,925,190	$3,313,472	$227,799	$400	$228,199	26
2022	NORTH ST PAUL	519 INFO -WEB SEARCH PORTALS, OTHER SERVICES	$212,811	$65,665	$4,515	$0	$4,515	5
2022	NORTH ST PAUL	541 PROF,SCIENTIFIC,TECH SERV	$4,008,038	$416,293	$28,622	$420	$29,042	11
2022	NORTH ST PAUL	561 ADMIN, SUPPORT SERVICES	$4,714,827	$1,652,546	$113,614	$31,658	$145,272	20
2022	NORTH ST PAUL	621 HEALTH -AMBULATORY CARE	$2,098,994	$60,074	$4,130	$1,083	$5,213	6
2022	NORTH ST PAUL	711 PERF ART, SPECTATOR SPRTS	$573,762	$96,652	$6,645	$494	$7,139	5
2022	NORTH ST PAUL	722 FOOD SERV, DRNKING PLACES	$12,189,018	$11,879,358	$865,741	$5,892	$871,633	27
2022	NORTH ST PAUL	811 REPAIR, MAINTENANCE	$8,688,069	$3,548,204	$243,940	$4,533	$248,473	12
2022	NORTH ST PAUL	812 PERSONAL, LAUNDRY SERVICE	$1,612,307	$149,335	$10,267	$455	$10,722	9
2022	NORTH ST PAUL	999 UNDESIGNATED/SUPPRESSED	$182,218,741	$70,106,510	$4,854,754	$448,150	$5,302,904	53
			$304,496,491	$98,082,770	$6,827,155	$512,364	$7,339,519	192
		Sales Tax	0.50%		$490,414 HIGH			

HISTORICAL INFORMATION

YEAR	CITY			TAXABLE SALES	SALES TAX
2021	NORTH ST PAUL	Sales Tax	0.50%	$81,817,331	$409,087
2020	NORTH ST PAUL	Sales Tax	0.50%	$74,525,542	$372,628
2019	NORTH ST PAUL	Sales Tax	0.50%	$73,455,935	$367,280
2018	NORTH ST PAUL	Sales Tax	0.50%	$71,677,703	$358,389
2017	NORTH ST PAUL	Sales Tax	0.50%	$67,517,014	$337,585
2016	NORTH ST PAUL	Sales Tax	0.50%	$65,767,701	$328,839 LOW
2015	NORTH ST PAUL	Sales Tax	0.50%	$65,995,003	$329,975
2014	NORTH ST PAUL	Sales Tax	0.50%	$66,899,618	$334,498
2013	NORTH ST PAUL	Sales Tax	0.50%	$66,401,961	$332,010

MUNICIPAL LIQUOR STORE

- **Would require legislative action to increase the population threshold from 10,000 to 15,000 (would impact approximately 34 cities).**

- Currently, any Minnesota city with a population of 10,000 or less, except those incorporated for less than two years, has the authority to own and operate a retail municipal liquor store with off-sale liquor, on-sale liquor, or both.

- When establishing a municipal liquor store, the following items must be submitted to the commissioner of the Department of Public Safety:
  - A printed copy of the ordinance or resolution authorizing the establishment of a municipal liquor store.

MUNICIPAL LIQUOR STORE

- The results of any elections ever held by the municipality in which the question of permitting or prohibiting the sale of intoxicating liquor was voted. This does not include the repeal election of Sept. 12, 1933, or any county election. If no election was ever held, a statement to that effect is required.
- A certificate of registration stating the date established, the name of the manager, and whether the municipal liquor store sells on-sale, off-sale, or both.
- Any change in the location of the municipal liquor store.

- If no private retail liquor licenses are in force in the city, the council may establish a municipal liquor store at any time. If private licenses are in force, the city must publish a notice of the council’s intention to sell intoxicating liquor and that doing so will exclude the issuance of retail licenses to private businesses. This notice must appear in the legal newspaper at least one year before the date the council proposes to begin such sales.

MUNICIPAL LIQUOR STORE – 2022 OSA

- Municipal liquor operations located within the Metro Area are considerably larger and more profitable than their Greater Minnesota counterparts. Although only 18 of the 176 Minnesota cities (10.2 percent) that own and operate municipal liquor stores are located in the Metro Area, they represent 33.8 percent of the total sales and 26.3 percent of the net profits of municipal liquor operations. Sales by all Metro Area municipal liquor operations averaged $3.7 million in 2022, compared to average sales of $1.7 million for all Greater Minnesota operations.

- During 2022, Minnesota's municipal liquor stores had net transfers (transfers out minus transfers in) of $22.9 million. This represents a decrease of 0.7 percent from the total net transfers made in 2021. Net transfers totaled $8.0 million among Metro Area establishments, compared to $14.9 million for Greater Minnesota establishments.

SPECIAL ASSESSMENTS

What are special assessments?

- Special assessments are a charge imposed on properties for a particular improvement that benefits the owners of those selected properties.
- Special assessments have three distinct characteristics:
  - They are a levy a city uses to finance, or partially finance, a particular public improvement program.
  - The city levies the charge only against those particular parcels of property that receive some special benefit from the program.
  - The amount of the charge bears a direct relationship to the value of the benefits the property receives.

SPECIAL ASSESSMENTS

What do special assessments pay for?

- Special assessments have a number of important uses:
  - The most typical use is to pay for infrastructure in undeveloped areas of a city, particularly when the city is converting new tracts of land to urban or residential use. Special assessments frequently pay for opening and surfacing streets; installing utility lines and constructing curbs, gutters, and sidewalks.
  - Special assessments may partially underwrite the cost of major maintenance programs. Cities often finance large scale repairs and maintenance operations on streets, sidewalks, sewers, and similar facilities in part with special assessments.
  - Another use of special assessments is the redevelopment of existing neighborhoods. Cities use special assessments when areas age and the infrastructure needs updating.

SPECIAL ASSESSMENTS

The special benefit test

- Under the special benefit test, special assessments are presumptively valid if:
  - The land receives a special benefit from the improvement.
  - The assessment does not exceed the special benefit measured by the increase in market value due to the improvement.
  - The assessment is uniform as applied to the same class of property, in the assessed area.

SPECIAL ASSESSMENTS - ESTIMATES

Projects:	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**Totals**
Buhl Avenue, Gerald Avenue, Shawnee Drive	6,512,200										6,512,200
Chisholm Avenue, Mesabi Avenue, Gerald Avenue			6,645,290								6,645,290
Margaret Street Reconstruction					8,898,700						8,898,700
Pavement Rehabilitation		3,218,333		3,298,791		3,379,249	3,459,708	3,499,937	3,540,166	3,620,624	24,016,808
Totals	6,512,200	3,218,333	6,645,290	3,298,791	8,898,700	3,379,249	3,459,708	3,499,937	3,540,166	3,620,624	46,072,998

Totals:											
Special Assessments at 10% of Cost	-	374,400	52,566	436,086	106,207	515,962	524,008	528,031	532,054	540,100	3,609,415
Special Assessments at 20% of Cost	-	748,799	105,133	872,173	212,414	1,031,925	1,048,017	1,056,062	1,064,108	1,080,200	7,218,831
Special Assessments at 30% of Cost	-	1,123,199	157,699	1,308,259	318,622	1,547,887	1,572,025	1,584,093	1,596,162	1,620,300	10,828,246
Special Assessments at 40% of Cost	-	1,497,599	210,266	1,744,345	424,829	2,063,849	2,096,033	2,112,125	2,128,216	2,160,399	14,437,662

SPECIAL ASSESSMENTS - ESTIMATES

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Totals
Streets:											
Special Assessments at 10% of Cost	-	219,713	19,713	251,805	46,805	298,378	303,378	305,878	308,378	313,378	2,067,429
Special Assessments at 20% of Cost	-	439,426	39,426	503,610	93,610	596,757	606,757	611,757	616,757	626,757	4,134,857
Special Assessments at 30% of Cost	-	659,139	59,139	755,416	140,416	895,135	910,135	917,635	925,135	940,135	6,202,286
Special Assessments at 40% of Cost	-	878,852	78,852	1,007,221	187,221	1,193,514	1,213,514	1,223,514	1,233,514	1,253,514	8,269,715
Water Fund:											
Special Assessments at 10% of Cost	-	23,418	10,918	34,913	22,101	42,332	42,644	42,801	42,957	43,269	305,353
Special Assessments at 20% of Cost	-	46,837	21,837	69,827	44,202	84,663	85,288	85,601	85,913	86,538	610,707
Special Assessments at 30% of Cost	-	70,255	32,755	104,740	66,303	126,995	127,933	128,402	128,870	129,808	916,060
Special Assessments at 40% of Cost	-	93,673	43,673	139,654	88,404	169,327	170,577	171,202	171,827	173,077	1,221,414
Waste Water Fund:											
Special Assessments at 10% of Cost	-	91,311	6,311	104,322	17,197	112,925	115,050	116,113	117,175	119,300	799,706
Special Assessments at 20% of Cost	-	182,623	12,623	208,644	34,394	225,851	230,101	232,226	234,351	238,601	1,599,412
Special Assessments at 30% of Cost	-	273,934	18,934	312,965	51,590	338,776	345,151	348,339	351,526	357,901	2,399,117
Special Assessments at 40% of Cost	-	365,245	25,245	417,287	68,787	451,702	460,202	464,452	468,702	477,202	3,198,823
Surface Water Fund:											
Special Assessments at 10% of Cost	-	39,957	15,624	45,046	20,104	62,327	62,935	63,239	63,543	64,152	436,927
Special Assessments at 20% of Cost	-	79,914	31,248	90,092	40,208	124,654	125,870	126,479	127,087	128,304	873,855
Special Assessments at 30% of Cost	-	119,871	46,871	135,137	60,313	186,980	188,806	189,718	190,630	192,455	1,310,782
Special Assessments at 40% of Cost	-	159,828	62,495	180,183	80,417	249,307	251,741	252,957	254,174	256,607	1,747,709

MUNICIPAL CANNABIS STORES

Municipal Cannabis Stores

As authorized in Chapter 342.32, local governments are permitted to apply for a cannabis retail license to establish and operate a municipal cannabis store.

State law requires OCM issue a license to a city or county seeking to operate a single municipal cannabis store if the city or county:

- Submits required application information to OCM,
- Meets minimum requirements for licensure, and
- Pays applicable application and license fee.

A municipal cannabis store will not be included in the total count of retail licenses issued by the state under Chapter 342.

A municipal cannabis store cannot be counted as retail registration for purposes of determining whether a municipality's cap on retail registrations imposed by ordinance.

OTHER FEES

Proposal to charge a fee for rental units.

- How does the City justify a rental unit fee?
- Do rental units require more City services?
- Approximately 1,300 rental units in the City of North St. Paul.
- Potential revenue:
  - $5.00 per month per rental unit = $78,000
  - $10.00 per month per rental unit = $156,000

Proposal to charge businesses a fee to conduct our Fire Certificate of Compliance Inspections.

- Staff gathering information from other communities.

Proposal to charge a repeat nuisance call service fee.

ATTACHMENTS

- Process to Obtain Local Sales Tax Authority – League of Minnesota Cities.
- Senate Taxes Committee Seeks Input on Local Sales Tax Proposal - League of Minnesota Cities.
- Operating a Municipal Liquor Store
- Analysis of Municipal Liquor Store Operations – Office of State Auditor
- Special Assessment Toolkit
- A Guide for Local Minnesota Governments on Adult-Use Cannabis

Review and Discuss Revenue Options

- What options would you like staff to pursue?
- Are there other options that you want staff to look into?

LMC LEAGUE of MINNESOTA CITIES

Process to Obtain Local Sales Tax Authority

INFORMATION MEMO

Published: November 1, 2024

Please note: During the 2023 legislative session, the state imposed a moratorium on new local option sales taxes. At this point, they will not consider requests during the 2024 or 2025 legislative sessions. A task force will convene in July 2023 and issue recommendations in early 2024 for how to treat future requests.

Cities need to follow strict rules and procedures to get legislative authority for the creation of a local sales tax. Cities seeking local sales tax authority must file requests with legislators on the House and Senate Taxes committees by Jan. 31.

The city must submit a resolution proposing the local sales tax, details on the projects that will be funded by the tax, and documentation on regional significance. Cities may request legislative authority to impose a local sales tax to fund up to five capital projects of "regional significance" (Minn. Stat. § 297A.99).

Projects of Regional Significance

Local option sales taxes can only be used for "regionally significant" capital projects. State law limits these projects to "a single building or structure, including associated infrastructure needed to safely access or use the building or structure; improvements within a single park or named recreation area; or a contiguous trail." In recent years, several of the requests were modified to exclude road and other infrastructure projects, on the basis that those projects are not "regionally significant" and can be financed, at least in part, with other revenue sources.

Steps of the statutory process

To impose a general local sales tax, a city must take the following steps:

1. **Adopt a resolution.** The city council must first adopt a resolution proposing the tax. The resolution must include the proposed tax rate, documentation of the "regional significance" of each project to be funded, the amount to be raised with the tax, and the estimated length of time the tax will be needed (Stat. § 297A.99, subd. 2).
2. **Submit resolution and supporting materials to state tax committees.** The city is required to submit the adopted resolution, details on the projects, and documentation on regional significance to the chairs and ranking minority members of the House and Senate Taxes committees and appropriate subcommittees by Jan. 31 of the year that it is seeking the special law.
3. **Get legislative authorization.** The city must secure the passage of a special law authorizing the enactment of the local sales tax. The city would typically work with its local legislators to

introduce special legislation (Stat. § 297A.99, subd. 3).

4. **Adopt a resolution.** After approval, the city must adopt a resolution accepting the new law. The city must also file the resolution and a local approval certificate with the Office of the Secretary of State before the next legislative biennium begins.
    - Download a Model Local Approval Certificate (pdf)
    - Submit the resolution and local approval certificate on the website of the Office of the Secretary of State
5. **Hold a referendum.** The city must conduct a referendum during a general election within two years of receiving legislative authority for the local sales tax. The referendum must include separate questions for each project, and only the ballot questions approved by voters may be funded by the sales tax (Stat. § 297A.99, subd. 3).
6. **Pass an ordinance.** The city council must pass an ordinance imposing the tax. It must also notify the commissioner of Revenue at least 90 days before the first day of the calendar quarter that the tax will be imposed.

Spending restrictions on referendum

State law restricts cities' spending of funds to promote the passage of a local sales tax referendum (Minn. Stat. § 297A.99, subd. 1(d)). Cities may only spend money to:

- Give residents the information that is contained in the local sales tax resolution, including information on specific projects and costs of those projects.
- Conduct public forums on the sales tax and projects to be funded, provided that proponents and opponents are given equal time to express their opinions.
- Provide facts on the proposed projects and the impact of the proposed tax on consumers.
- Conduct the required referendum.

Notification requirements

A city with a local sales tax must notify the public about the local sales tax in specific ways (Minn. Stat. § 297A.99, subd. 12a):

- **Provide notice on the city website.** The city must post a notice on its official city website that residents and businesses in the city may owe a local use tax on purchases of goods and services made outside of the political subdivision limits. The notice must provide information, including a link to any relevant Department of Revenue website, on how the taxpayer may get information and forms necessary for calculating and paying the tax. The city must display a link to this notice on the homepage of its website.
- **Provide notice on billing statements.** If the city provides and bills for sewer, water, garbage collection, or other public utility services, the billing statement must also include at least once per year a notice that residents and businesses may owe a local use tax on purchases made outside of the political subdivision limits. The notice must also explain how the taxpayer may get information and forms necessary for calculating and paying the tax.

Resources

The League worked with legislative staff and the Minnesota Department of Revenue to develop a model resolution that fulfills the requirements of the law. Your city may want to use the model if it is considering a local sales tax request.

Download the model resolution (doc)

If you have questions about the statutory process outlined above, contact one of the League's Intergovernmental Relations staff.

For more information and assistance with the local sales tax process, you may also contact the Minnesota Department of Revenue's Local Government Services Unit at localgovernmentservices.mdor@state.mn.us or (651) 556-6117.

Learn more about the required local sales tax process from the Minnesota Department of Revenue website

---

Your LMC Resource

The LMC Intergovernmental Relations (IGR) staff is focused on legislative advocacy for cities. Contact any IGR member with questions, concerns, or suggestions about legislative issues and League policies.

Connect with IGR staff

LEAGUE of MINNESOTA CITIES

Senate Taxes Committee Seeks Input on Local Sales Tax Proposal

November 12, 2024

There are two upcoming meetings to discuss the bill language.

Sen. Ann Rest (DFL-New Hope), chair of the Senate Taxes Committee, released proposed bill language in preparation of the 2025 legislative session. The proposal would give cities and counties the power to take local sales tax decisions straight to voters. Currently, they must receive prior authorization from the Legislature.

Sen. Rest plans to introduce a bill early in session, aiming to have the Legislature pass it into law before the local sales tax moratorium expires at the end of session.

What's in the bill?

The bill would limit the authority to regional projects, such as:

- Community centers.
- Athletic complexes.
- Convention centers.
- Parks and trails located outside the metro that meet specific requirements.
- Certain criminal justice facilities.

The bill would also limit the maximum rate that could be imposed under this authority to .5%.

Unlike previous versions of local sales tax general authority that were heard in the Senate, this bill language would include some revenue sharing between cities. The language would require that 5% of a city's local sales tax imposed under this authority be shared with neighboring cities.

In the seven-county metro, the revenue would be shared only with city's that share a border with one another. Outside the seven-county metro, the revenue would be shared with other cities in the same county. If a city already has a local sales tax, it would not be eligible to receive any revenue sharing distributions.

The project and tax rate limits would not apply to already existing local sales taxes or local sales taxes that are approved by the Legislature through special authorizations. Though any local sales taxes approved through special authorizations would be required to share 8% of their revenue rather than 5%.

- View the proposed local sales tax general authority bill language (pdf).
- View the local sales tax general authority bill summary (pdf).

What's next?

There will be two meetings to discuss this language, Nov. 13, from 11 a.m.-12:30 p.m. and Dec. 4, from 11 a.m.-12:30 p.m. The agenda is the same for both meetings. There will be an opportunity to provide comments on the draft language. If you wish to attend either meeting or submit written comments, contact the committee administrator, Mitch Berggren at (651) 296-5540.

Read more news articles.

Your LMC Resource

Nathan Jesson

Intergovernmental Relations Representative

(651) 281-1262
njesson@lmc.org

LEAGUE of MINNESOTA CITIES

INFORMATION MEMO

Operating a Municipal Liquor Store

Understand the city's role in operating a municipal liquor store, including the establishment and operation of such a store, what to do with funds and profits, and financial reporting requirements. Also learn about how to abolish a municipal liquor store.

RELEVANT LINKS:

I. Municipal Liquor Store

Minn. Stat. §§ 340A.601 to 340A.604.

Any Minnesota city with a population of 10,000 or less, except those incorporated for less than two years, has the authority to own and operate a retail municipal liquor store with off-sale liquor, on-sale liquor, or both. A recently incorporated city may establish a municipal liquor store within the first two years after incorporation if it was previously an urban town or a major part of an urban town. Subsequent changes in population do not affect the ability of a city to operate a liquor store. Additionally, a city that established a liquor store before July 1, 1967, may continue to own and operate it.

Minn. Stat. § 340A.601 subd. 4.

Minnesota Municipal Beverage Association, (MMBA) (763) 572-0222 or (800) 848-4912, ext. 3925.

The Minnesota Municipal Beverage Association (MMBA) provides helpful information to municipalities that operate municipal liquor stores. For additional information about municipal liquor store operations, contact the MMBA.

Minn. Stat. § 340A.601, subd. 5.

Minn. Stat. § 340A.26, subd. 1.

If a city establishes a municipal liquor store, all private intoxicating liquor licensing in the city must cease—unless the city has opted for split liquor or has annexed or consolidated with an area and a private liquor license holder was in that annexed or consolidated area. After the voters approve a split liquor system, cities may issue on-sale licenses to hotels, clubs, and restaurants, as well as brewer taproom licenses. A city with a municipal liquor store may not issue off-sale licenses to private license holders.

A. Establishing a municipal liquor store

Minn. Stat. § 340A.601.

Unless the city has voted to remain dry, the council of any city with a population of less than 10,000 may establish a municipal liquor store. When establishing a municipal liquor store, the following items must be submitted to the commissioner of the Department of Public Safety:

Minn. R. 7515.0470.

- A printed copy of the ordinance or resolution authorizing the establishment of a municipal liquor store.

This material is provided as general information and is not a substitute for legal advice. Consult your attorney for advice concerning specific situations.

RELEVANT LINKS:

- The results of any elections ever held by the municipality in which the question of permitting or prohibiting the sale of intoxicating liquor was voted. This does not include the repeal election of Sept. 12, 1933, or any county election. If no election was ever held, a statement to that effect is required.
- A certificate of registration stating the date established, the name of the manager, and whether the municipal liquor store sells on-sale, off-sale, or both.
- Any change in the location of the municipal liquor store.

Minn. Stat. § 340A.601, subd. 7.

If no private retail liquor licenses are in force in the city, the council may establish a municipal liquor store at any time. If private licenses are in force, the city must publish a notice of the council's intention to sell intoxicating liquor and that doing so will exclude the issuance of retail licenses to private businesses. This notice must appear in the legal newspaper at least one year before the date the council proposes to begin such sales.

When the city wants to shift from private liquor sales to municipal sales, the most appropriate time to do so is when the outstanding private licenses expire. The decision to open a municipal store probably is not a sufficient legal justification for revoking a private license. The revocation of a private license always presents difficulties.

Arens v. Village of Rogers, 61 N.W.2d 508 (Minn.1953, dist. by *Mattson v. Saugen*, 283 Minn. 402, 169 N.W.2d 37 (1969).

Generally, there is no right to engage in or continue to engage in the sale of intoxicating liquor. Even private parties, who previously have had licenses to sell, do not have an inherent right to continue such a business in the future. Good practice suggests working closely with the city attorney in a situation where a city wishes to establish a municipal liquor store but has active private liquor licenses.

A.G. Op. 218-C-2 (Nov. 3, 1947).

Minnesota statutes do not provide any definite method of financing the acquisition of a municipal liquor store building, fixtures, equipment, and stock. The attorney general has issued guidance that indicates a city may use money from the general operating fund to establish a municipal liquor store and acquire a stock of liquors.

B. Operation of a municipal liquor store

Minn. Stat. § 340A.601-340A.604.
Minnesota Municipal Beverage Association, (MMBA) (763) 572-0222 or (800) 848-4912, ext. 3925.

A municipal liquor store must comply with all state statutes regulating the days, hours, and manner of sale, and with all applicable regulations of the liquor control division. The city may impose more stringent regulations if they do not conflict with state laws.

Minn. Stat. § 340A.504 subd. 4.

The sale of off-sale liquor is allowed Monday through Saturday between the hours of 8:00 a.m. and 10:00 p.m. and Sundays between the hours of 11:00 a.m. and 6:00 p.m.

RELEVANT LINKS:

Sunday delivery of alcohol by a wholesaler to off-sale or on-sale liquor stores is not allowed. Likewise, liquor stores may not accept deliveries by a wholesaler on Sundays.

A.G. Op. 218-J-6 (December 13, 1956).
Minn. Stat. § 645.44, subd. 5.

Municipal liquor stores may operate on holidays when other public business is prohibited unless prohibited by local regulations. However, off-sale operations are prohibited by state law on the following holidays:

Minn. Stat. § 340A.504 subd. 4.

- Thanksgiving Day
- Christmas Eve (after 8 p.m.)
- Christmas Day
- On any day during hours when the sale of liquor is illegal (For example, in a city that has set more restrictive hours, sales would be prohibited outside of these hours).

Although exempt from the state personal property tax, municipal liquor stores are not exempt from sales tax or state or national excise taxes. Because tax issues related to municipal liquor stores exceed the scope of this memo, cities may want to seek guidance on this issue from the city auditor, the MMBA, and the city attorney.

Jewell Belting Co. v. Village of Bertha, 91 Minn. 9, 97 N.W. 424 (1903).
A.G. Op. 218R (July 13, 1962).
A.G. Op. (July 27, 1981).

City councils have responsibility for the operation of the municipal liquor store. They may delegate ministerial duties relating to the daily operations of the store to a liquor store manager or commission. However, the council may not:

- Delegate any policy-making powers related to the municipal liquor store.
- Authorize employees to approve disbursement of funds in the liquor account.
- Contract with a private corporation for the management and operation of a municipal liquor store.

A.G. Op. 218-g-13 (Apr. 5, 1961).

A liquor store manager manages the store under the direction of the council. According to an opinion from the Attorney General a liquor store manager cannot share in the profits in addition to receiving a salary.

Minn. R. 7515.0620.

Municipal liquor store employees and managers may not suggest, request, demand, or accept any gratuity, reward, or promise thereof from any representative of a manufacturer or wholesaler of alcoholic beverages. Any manager or employee who violates this provision is guilty of a gross misdemeanor.

Office of the State Auditor, Statement of Position: Internal Controls for Municipal Liquor Stores, Jan. 2014.

The following are policy recommendations to effectively manage a municipal liquor store:

- Segregate duties.
- Use all available cash register features to monitor types of payment.

- Ensure receipts and disbursements that are separate from liquor sales are documented properly and rung into the cash register.
- Establish check handling procedures.
- Make timely deposits.
- Ensure additional safeguards are in place to protect the city from unneeded risk.

Minn. R. 7515.0470.

The city must promptly report any change in the location of the municipal liquor store to the state Alcohol Enforcement Unit (accompanied by new liquor liability certification for the new location) or any change in the method of sale, such as from on-sale or off-sale to off-sale only.

1. Types of Sales

Minn. Stat. § 340A.412, subd. 14(b).

Like private liquor stores, any municipal liquor store may sell food and make coin-operated amusement devices available to customers.

Minn. Stat. § 340A.601, subd. 1. Minn. Stat. § 340A.412, subd. 14(a).

Apart from that, off-sale-only municipal liquor stores may only sell the following items:

Minn. Stat. 340A.412 subd. 14.

- Alcoholic beverages.
- Tobacco products.
- Ice.
- Beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor.
- Soft drinks.
- Liqueur-filled candies.
- Food products that contain more than one-half of one percent alcohol by volume.
- Cork extraction devices.
- Books and videos on the use of alcoholic beverages.
- Magazines and other publications published primarily for information and education on alcoholic beverages.
- Multiple-use bags designed to carry purchased items.
- Devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers.
- Home brewing equipment.
- Clothing marked with the specific name, brand, or identifying logo of the municipal liquor store, and bearing no other name, brand, or identifying logo.
- Citrus fruit.
- Glassware.
- Lower-potency hemp edibles as defined in Minn. Stat. 342.01 subd. 50.
- Products that detect the presence of fentanyl or a fentanyl analog.

RELEVANT LINKS:

Minn. Stat. § 340A.601, subd. 1.

Municipal liquor stores that sell at on- and off-sale may sell any item that may lawfully be sold in an establishment with an on-sale intoxicating liquor license.

2. Tastings

Minn. Stat. § 340A.419, subd. 2.
Minn. Stat. § 340A.4041.

Minn. Stat. § 340A.510.

Municipal liquor stores may conduct a wine, malt liquor, or spirits tasting on the premises in compliance with state law. Municipal liquor stores may conduct classes for a fee and allow tastings during those classes, provided that the amount served at a class is limited to a maximum of six ounces of wine or 12 ounces of intoxicating malt liquor during the class and consumption occurs on the premises only.

House Research: Short Subjects: Minnesota's Laws on Tastings and Samples of Alcohol, Aug. 2013.

Municipal liquor stores may provide, or permit a licensed manufacturer or a wholesaler to provide, free samples of wine, liqueurs, cordials, and distilled spirits offered for sale by the store. The samples must be free and consumed on the premises in a quantity of less than 50 milliliters of wine per variety per customer, 25 milliliters of liqueur or cordial, and 15 milliliters of distilled spirits per variety per customer. Municipal liquor stores also may offer samples of malt liquor in a quantity of less than 100 milliliters per variety per customer and as otherwise prescribed by state law.

3. Entertainment

Minn. Stat. § 340A.601, subd. 1.
Remick Music Corp. v Interstate Hotel Co., 58 F. Supp. 523 (D. Neb. 1944), aff'd 157 F.2d 744 (8th Cir. 1946) cert. den. 329 U.S. 809 (1947).
17 U.S.C. § 102(A) (2), (7).
17 U.S.C. § 106 (4), (6).
17 U.S.C. § 116 (b).

A municipal liquor store may offer recorded or live entertainment. If it offers music, it must pay performance royalties to the copyright owner (usually the composer or publisher) of works played in the store. This would apply to both live performances and when playing recordings, such as those on jukeboxes, stereo systems, radios, or music streaming services. Cities may negotiate performance royalties by dealing directly with the copyright owner or, if the copyright owner belongs to an organization such as the American Society of Composers, Authors, and Publishers (ASCAP) or Broadcast Music Inc. (BMI), the organization collects the payments on behalf of the composer. Often ASCAP and BMI sell blanket licenses that cover all performances of any works of their members. This generally is easier and less expensive than trying to pay a fee for each individual piece. The fee for this type of blanket license is based on the size of the liquor store.

See also, International Municipal Lawyers Association (IMLA): The ASCAP Licensing Agreement for Local Entities.

A sample license agreement between ASCAP and a city is available on the International Municipal Lawyers Association (IMLA) website.

RELEVANT LINKS:

See LMC Information Memo, *Lawful Gambling.*

Minn. Stat. § 340A.601, subd. 1.

4. Gambling

Many cities lease space in the municipal liquor store to lawful gambling organizations because of the additional business and revenue gambling can draw. Municipal liquor stores are explicitly authorized to offer coin-operated amusement devices. However, allowing gambling in the municipal liquor store raises several questions that should be resolved before city property is used for lawful gambling.

Minn. Stat. § 349.18.
Minn. Stat. § 412.221.

Penn-O-Tex Oil Co. v. City of Minneapolis, 207 Minn. 307, 291 N.W. 131 (1940).

Minn. R. 7861.0240.

Minnesota Gambling Control Board, Lease for Lawful Gambling Activity.

a. Lease

State law generally restricts gambling to premises owned or leased by the licensed organization, although exceptions are provided for raffles and other lawful gambling that is conducted in conjunction with fairs and other civic celebrations. Cities have the authority to lease city-owned property to private parties when the property is not needed for municipal purposes.

Because of the limited space required, a city may lease space in the municipal liquor store to gambling organizations. Leases must be in the form prescribed by the Gambling Control Board.

Minn. Stat. § 349.18, subd. 1.
Gambling Control Board, Lawful Gambling Manual, Chapter 3: Premises Permits and Leases.

Minn. Stat. § 349.18, subd. 1(c).

b. Rent

State law regulates the rent that may be charged for premises that are leased for lawful gambling. The lease must generally set forth all obligations between the city and the organization.

Amounts paid as rent under lawful gambling leases are all-inclusive and, unless specifically and separately approved by the Gambling Control Board, will cover all matters such as electric, heat, and cleaning services, as well as the cost of any communications network or service required for electronic pull tabs and electronic bingo. The lease will not become effective until approved by the board. The city should consult the city attorney before agreeing to lease space in a municipal liquor store to a gambling organization.

The regulations may be broadly separated into four classifications: booth operations, bar operations, booth and bar operations, and bingo premises.

Minn. Stat. § 349.12, subd. 6a.
Minn. Stat. § 349.18, subd. 1(b)(1).

(1) Booth operations

A “booth operation” is a method of selling and redeeming disposable gambling equipment by an employee of a licensed organization on the premises that the lawful gambling organization leases or owns. Monthly rent for a booth operation may not exceed 10% of gross profits for that month. However, the maximum combined rent for all organizations conducting lawful gambling on the premises may not exceed $1,750 per month.

RELEVANT LINKS:

Minn. Stat. § 349.12, subd. 3b.
Minn. Stat. § 349.18, subd. 1(b)(2).

(2) Bar operations

A "bar operation" is a method of selling and redeeming disposable gambling equipment by an employee of the lessor within leased premises which is licensed for the on-sale of alcoholic beverages. Monthly rent may not exceed:

- 15 percent of the gross profit from electronic pull-tabs and electronic bingo for that month.
- More than 20 percent of gross profits from all other forms of lawful gambling.

Minn. Stat. § 349.18, subd. 1(b)(3).

(3) Booth and bar operations

For electronic linked bingo and electronic pull tabs that are operated for separate time periods within a business day by a nonprofit organization and the lessor, monthly rent may be no more than:

- 15 percent of the monthly gross profits for the time periods operated by the lessor (the lessor is also responsible for any cash shortages that occur during these periods of operation).
- 10 percent of the monthly gross profits for the time periods operated by the lawful gambling organization (the lawful gambling organization is responsible for cash shortages during these periods of operation).

Minn. Stat. § 349.18, subd. 1(b)(4).

(4) Bingo

Rent paid by an organization for premises leased primarily for the conduct of bingo is restricted to one of the following:

- Not more than 10 percent of the monthly gross profit from all lawful gambling activities held during bingo occasions.
- At a rate based on a cost per square foot not to exceed 110 percent of a comparable cost per square foot for leased space as approved by the director of the Gambling Control Board.

Minn. Stat. § 349.18, subd. 1(b)(5). Minn. Stat. § 349.12 subd. 3c.

No rent may be paid for bar bingo.

c. City employees

Organizations that conduct lawful gambling may request that city employees sell pull-tabs from behind the bar at a municipal liquor store. This arrangement may benefit both the organization and the municipality. However, whether city employees can lawfully participate in such activity is open to debate.

RELEVANT LINKS:

Minn. Stat. § 340A.601.

A.G. Op. 218-R (Sept. 26, 1978).

Minn. Stat. § 349.18.

The case can certainly be made that municipal liquor store employees can sell pull-tabs from behind the bar. State law allows on-sale municipal liquor stores to sell any item that may lawfully be sold at an establishment with an on-sale liquor license. In a 1978 opinion, the attorney general indicated a city may operate a liquor store in the same manner as a private proprietor. Since employees of licensed, private on-sale liquor stores may sell pull-tabs from behind the bar, the argument can be made that city employees are also authorized to sell pull-tabs from behind the bar.

LMC information memo, *Public Purpose Expenditures*.

The League of Minnesota Cities does not recommend allowing city liquor store employees to sell pull-tabs. The city pays these employees and provides for other employment-related costs, such as workers' compensation. If city employees sell pull-tabs, they devote city-paid time to the benefit of a private organization and may be violating the constitutional requirement that all city expenditures be for a public purpose. Cities should consult their city attorneys before authorizing municipal liquor store employees to sell pull-tabs.

Minn. Stat. § 349.168 subd. 2.

Employees of licensed gambling organizations must register with the licensed organization using a form that documents the individual's identity and employment authorization (Form I-9). Registered employees must wear an identification card displaying their name whenever they conduct lawful gambling for compensation.

Minn. Stat. § 349.168, subd. 8(c).

An organization that leases a premises for lawful gambling may not pay compensation to the lessor, a member of the lessor's immediate family, or to the lessor's employees, other than as a seller of pull-tabs and tipboards within a booth operation on the premises. An employee of the lessor or a member of the lessor's immediate family may be compensated by an organization for the conduct of gambling at other sites not owned by the lessor.

C. Municipal liquor store funds

Minn. Stat. § 426.20.

A city cannot appropriate any funds for the operation of the municipal liquor store or expend any funds under its control for the operation of the liquor store unless the city council has first held a public hearing on the proposed transfer. Exceptions to this include funds for capital improvements, bonding costs, and construction and repairs the city can amortize and pay for from liquor store funds.

Minn. Stat. § 412.271, subd. 1.

All liquor store disbursements must go to the city treasurer, and the city must make all disbursements in the same manner as for all other city disbursements. Although not required by law, the state auditor has recommended cities maintain a separate liquor store fund for each store.

RELEVANT LINKS:

D. Municipal liquor store financial reporting

Minn. Stat. § 471.6985, subd. 1.
Minn. Stat. § 471.697.

Minn. Stat. § 340A.603.

The city must publish in the official newspaper of the city a balance sheet and a statement of operation of the liquor store within 90 days after the close of the fiscal year. Additionally, municipal liquor stores must file a proof of financial responsibility with the commissioner of the Department of Public Safety by Jan. 15 of each year. This report is needed to show proof the city has liability insurance for the municipal liquor store. The publication requirements of this section shall be in addition to any publication or posting requirements for financial reports contained in state law. However, the council may choose to incorporate this information into the reports published under state law and in accordance with a form and style prescribed by the state auditor.

Minn. Stat. § 471.6985, subd. 2.

State Auditor Municipal Liquor Store Operations.

The law requires that a certified public accountant attest to financial statements in any city operating a municipal liquor store with total annual sales over $350,000. A city with a municipal liquor store that has total annual sales over $350,000 must submit these audited financial statements to the state auditor. The financial statements must be attested to by a certified public accountant, public accountant, or state auditor within 180 days after the close of the fiscal year.

The state auditor may extend the deadline upon request of the city and a "showing of inability to conform." The state auditor may accept this report in place of the municipal liquor store reports previously described. Note: Cities should consult the city attorney to ensure that current publication requirements for the municipal liquor store are met.

E. Municipal liquor store profits

Minn. Stat. § 426.19, subd. 2.
Minn. Stat. § 447.045.

State law specifies how cities can use municipal liquor store profits.

A.G. Op. 218-R (Sept. 26, 1978).

Minn. Stat. § 426.19, subd. 2.

For example, cities may use and apply revenue from liquor stores for the construction, operation, repair, and maintenance of sewers and sewage disposal plants and waterworks and water mains, and for the construction, operation, repair, and maintenance of public buildings. The council may irrevocably pledge liquor store profits to the payment of bonds, warrants, or certificates of indebtedness for the above listed purposes.

Minn. Stat. § 447.045.

Before making such a pledge, however, a majority of the voters at either a general or a special election must approve it. No such election is required if the liquor store money will be used to pay bonds, warrants, or certificates of indebtedness to construct, reconstruct, enlarge, or equip a municipal liquor store. Also, state law allows cities to contribute liquor store profits toward the construction or improvement of a community or county hospital.

RELEVANT LINKS:

It appears cities also may have the authority to transfer liquor store profits into the city's general fund. Because of the complexity of spending liquor store profits, a city should consult the city attorney if it wants to use liquor store profits outside of the specific statutory purposes listed above.

See LMC information memo, *Public Purpose Expenditures*.

The municipal liquor store does not have any independent authority to donate money or products or to hold fundraisers. A municipal liquor store is a city operation similar to any other city department and the finances are controlled by the city council. However, some advertising specialty items such as ash trays, bottle or can openers, corkscrews, paper shopping bags, matches, printed recipes, wine lists, leaflets, blotters, post cards, pencils, stirrers, glassware, calendars, notebooks, playing cards, greeting cards, folding knives, or any similar articles which bear advertising matter, may be furnished or given to consumers. The distribution of such advertising specialty items shall be limited to the licensed premises only. Such advertising specialty items shall be submitted to and approved by the commissioner before distribution.

Minn. R. 7515.0760.

F. City liability in municipal liquor store sales

Minn. Stat. § 340A.801. *Hahn v. City of Ortonville* 238 Minn. 428, 57 N.W.2d 254 (1953). But cf. *Urban v. American Legion Dept. of Minnesota*, 723 N.W.2d 1 (Minn. 2006).

The Minnesota Supreme Court has held cities accountable for injuries suffered by a third party as a result of the intoxication of a person to whom a municipal liquor store illegally sold liquor. To protect themselves, cities should purchase liability insurance covering the operation of their store(s).

Minn. Stat. § 340A.603.

Cities should purchase at least $500,000 in liquor liability coverage. Cities must show proof of financial responsibility as required for any other liquor licensee. The Minnesota Legislature limits the liability exposure of cities through the municipal tort cap.

Minn. Stat. § 466.04. *Imlay v. City of Lake Crystal* 453 N.W.2d 326, 332 (Minn. 1990).
Minn. Stat. § 471.981, subd. 3.

The liability cap applies to dram shop actions involving municipal owned liquor stores. Participation in a self-insurance pool, such as the League of Minnesota Cities Insurance Trust (LMCIT), does not increase the liability exposure limits of any members of the insurance pool above the statutory liability cap.

See LMC information memo *LMCIT Liability Coverage Guide*, Section III-K, Liquor Liability.

The League of Minnesota Cities Insurance Trust offers liquor liability coverage for off-sale municipal liquor stores, on-sale municipal liquor stores, and "special event" sales by an instrumentality of the city—for example, special event malt liquor sales by a fire relief association.

G. Changes in the manner of sale

The council can, at any time, make changes to the manner of sale in a municipal liquor store, such as changing from off-sale only to on- and off-sale. To do this, the city would have to go through the process of amending the liquor ordinance.

RELEVANT LINKS:

Minn. Stat. § 340A.601.

If the city stops on-sale liquor sales from the municipal liquor store and wants to issue licenses for on-sale, a split liquor election must occur under state statute. However, on-sale licenses would be limited to hotels, clubs, and restaurants.

Minn. R. 7515.0470.

If the city changes the manner of sale for the municipal liquor store, the city must promptly report this change to the liquor control division. A copy of the city's amending ordinance should be sufficient but a city making this change should reach out to the Minnesota Department of Public Safety's Alcohol and Gambling Enforcement division to see if they have a preferred form. Additionally, the League recommends cities reach out and work with their city attorney when making this change.

H. Suspending municipal liquor store operations

Minn. Stat. § 340A.604.

The state can suspend a city's liquor store operations for up to 30 days when any city officer or employee is convicted of selling intoxicating liquor or 3.2 percent malt liquor (beer):

- To a minor or other ineligible person.
- At a time when the law prohibits the sale.
- For resale.

The state also can suspend a city liquor store's operation when any city officer or employee is convicted of violating gambling laws. Additionally, if the city has not paid state tax, the state can suspend the city's liquor store operations.

Commissioner of the Department of Public Safety.

The court must notify the commissioner of the Department of Public Safety within 10 days of the conviction. The commissioner then has the authority to suspend the operation of the municipal liquor store for up to 30 days.

The commissioner must notify the city of the effective dates of the suspension. The city has the right to appeal the decision.

I. Abolishing a municipal liquor store

A city may discontinue the operation of a municipal liquor store in several ways:

Minn. Stat. § 340A.412, subd. 4(a)(6).

- The liquor store must cease to operate if the city voters vote to have the city become dry. In this case, it is uncertain whether the municipal store must cease operations immediately after the election, or whether it may continue to operate for the balance of the year.

Minn. Stat. § 340A.509. A.G. Op. 218G-20 (Jul. 30, 1969).

- The council can, at any time, abolish the municipal liquor store without public input. To do this, the council would amend the ordinance that established the municipal liquor operations.

RELEVANT LINKS:

Minn. Stat. § 340A.602.

- If a city liquor store has a net loss before any inter-fund transfers in any two of three consecutive years, and without regard to costs related to pension obligations of store employees, as required by Statement 68 of the Governmental Accounting Standards Board, the city council must hold a public hearing on the question of whether the city shall continue to operate the liquor store.

Minn. Stat. § 340A.602.

Office of the State Auditor, Statement of Position: Municipal Liquor Store Hearings, Jan. 2015.

The public hearing on the question of whether to continue liquor store operations must take place not more than 45 days before the end of the fiscal year following the three-year period. After the hearing, the council may, on its own motion, or must, upon petition of five percent or more of the registered voters of the city, submit the question of whether the city should continue liquor store operations by a date determined by the city council to the voters at a general or special election. The date to discontinue operation, designated by the city council, must not occur more than 30 months after the election.

Minn. R. 7515.0470.

Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division.

After a city abolishes a municipal liquor store, it must negotiate the sale of the fixtures and buildings. The clerk must submit a certified inventory of the stock on hand to the liquor control division, giving the brand names, the size and number of containers, and the details of disposition. The clerk must also submit the retailer's identification card to the division for cancellation. For further information regarding the inventory and identification card return process, or additional questions concerning municipal liquor stores, contact the Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division.

J. Conclusion

Because city officials are ultimately responsible for the operation of municipal liquor stores, cities need to ensure they are actively monitoring operations and investigating any discrepancies.

State of Minnesota

Office of the State Auditor

Julie Blaha
State Auditor

Analysis of Municipal Liquor Store Operations

For the Year Ended December 31, 2022

Description of the Office of the State Auditor

The Office of the State Auditor (OSA) helps ensure financial integrity and accountability in local government financial activities. The OSA is the constitutional office that oversees more than $40 billion in annual financial activity by local governments and approximately $20 billion of federal funding financial activity.

The OSA performs around 90 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office maintains the following seven divisions:

- **Audit Practice**: Helps ensure fiscal integrity by conducting financial and compliance audits of local governments and the federal compliance audit of the State of Minnesota.

- **Constitution:** Connects with the public via external communication, media relations, legislative coordination, and public engagements for the State Auditor.

  This division also supports the State Auditor's service on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, the Minnesota Historical Society, and the Rural Finance Authority Board.

- **Government Information**: Collects, analyzes, and shares local government financial data to assist in policy and spending decisions; administers and supports financial tools including the Small Cities and Towns Accounting System (CTAS) software and infrastructure comparison tools.

- **Legal/Special Investigations**: Provides legal analysis and counsel to the OSA and responds to outside inquiries about Minnesota local law relevant to local government finances; investigates local government financial records in response to specific allegations of theft, embezzlement, or unlawful use of public funds or property.

- **Operations:** Ensures the office runs efficiently by providing fiscal management and technology support to the office.

- **Pension:** Analyzes investment, financial, and actuarial reporting for Minnesota's local public pension plans and monitors pension plan operations.

- **Tax Increment Financing (TIF)**: Promotes compliance and accountability in local governments' use of tax increment financing through education, reporting, and compliance reviews.

This document can be made available in alternative formats upon request. Call 651-296-2551 [voice] or 1-800-627-3529 [relay service] for assistance or visit the Office of the State Auditor's website: www.osa.state.mn.us

Analysis of Municipal Liquor Store Operations

For the Year Ended December 31, 2022

Office of the State Auditor

December 13, 2023

Government Information Division
Office of the State Auditor
State of Minnesota

Deputy State Auditor

Chad Struss

Staff

Kathy Docter, *Director of Government Information Division*
John Jernberg, *Research Analysis Specialist*
Christy John, *Research Analyst Intermediate*
Mark Albarado, *Management Analyst 2*
Marie Henning, *Accounting Officer*
Tiffany O'Neil, *Accounting Officer*
Erin St. Cyr, *Accounting Officer*

Table of Contents

Background and Purpose 1

Executive Summary 2

Recommendations 3

Map of 2022 Municipal Liquor Operations in Greater Minnesota 4

Map of 2022 Municipal Liquor Operations in the Seven-County Metro Area 5

Analysis of Minnesota Municipal Liquor Store Operations 6

Total Net Profits by Operation Type for the Years 2018 to 2022 (Figure 1) **6**
Municipal Liquor Store Operations with Net Losses in 2022 (Table 1) **7**
Total Sales by Operation Type for the Years 2018 to 2022 (Figure 2) **8**
Total Operating Expenses by Operation Type for the Years 2018 to 2022 (Figure 3) **9**
Comparison of Average Sales Per Store for Greater Minnesota and Metro Area Municipal Liquor Operations by Type - 2022 (Figure 4) **10**
Comparison of Average Operating Expenses as a Percent of Sales for Greater Minnesota and Metro Area Municipal Liquor Operations by Type - 2022 (Figure 5) **11**
Off-Sale Liquor Store Total Sales and Total Operating Expenses - 2022 (Table 2) **11**
Comparison of Average Net Transfers for Greater Minnesota and Metro Area Municipal Liquor Operations by Type - 2022 (Figure 6) **12**
Cities Required to Hold Hearings in 2023 (Table 3) **13**
Number of Municipal Liquor Operations - 2013 to 2022 (Figure 7) **13**
Comparison of 2021 and 2022 Liquor Store Operations (Table 4) **14**

Appendix 1 (2022 Liquor Store Tables)

Comparison of City Liquor Store Operations - 2022 (Table 5) **16**
Comparison of City Liquor Store Operations - 2022 - Ranked by Gross Sales (Table 6) **23**
Comparison of City Liquor Store Operations - 2022 - Ranked by Net Profit/(Loss) as a Percent of Sales (Table 7) **30**
Comparison of Metro Area City Liquor Store Operations - 2022 (Table 8) **37**
Comparison of Greater Minnesota City Liquor Store Operations - 2022 (Table 9) **38**

Appendix 2 (2022 Liquor Store Tables and Maps by Economic Development Region)

Comparison of Off-Sale City Liquor Store Operations - 2022 - Average Per Store by Economic Development Region (Table 10) **45**
Comparison of On-Sale City Liquor Store Operations - 2022 - Average Per Store by Economic Development Region (Table 11) **45**
Comparison of City Liquor Store Operations - 2022 - Listed by Economic Development Region and City (Table 12) **46**
Comparison of City Liquor Store Operations - 2022 - Listed by Economic Development Region and City - Ranked by Net Profit/(Loss) as a Percent of Sales by Type of Establishment (Table 13) **57**
2022 Average Sales Per Off-Sale Municipal Liquor Establishment by Economic Development Region (Figure 8) **67**
2022 Average Sales Per On-Sale Municipal Liquor Establishment by Economic Development Region (Figure 9) **68**
2022 Average Net Profit and Net Profit as a Percent of Sales Per Off-Sale Municipal Liquor Establishment by Economic Development Region (Figure 10) **69**
2022 Average Net Profit and Net Profit as a Percent of Sales Per On-Sale Municipal Liquor Establishment by Economic Development Region (Figure 11) **70**

Background and Purpose

This report provides comparative data on municipal liquor operations owned and operated by Minnesota cities.[1] In 2022, 176 Minnesota cities reported operating 211 municipal liquor stores, with 83 cities operating both on-sale and off-sale liquor establishments and 93 cities restricting their municipally-owned establishments to off-sale liquor stores.[2,3] While the majority of municipally-owned liquor stores are located in Greater Minnesota, 18 cities within the Seven-County Metro Area (Metro Area) own and operate liquor establishments (see maps on pages 4 and 5 for locations of establishments).

Minnesota municipalities were originally authorized to own and operate liquor establishments as a means of controlling the sale of alcohol. For many communities in Greater Minnesota, municipal liquor operations provide access and convenience in areas that might be unable to attract a privately-run establishment. In addition to these functions, profitable municipal liquor operations have provided another source of revenue to supplement traditional tax and fee revenues.

The underlying financial data provided in this report is compiled from audited and unaudited financial statements that are required to be filed annually with the Office of the State Auditor. The tables and analysis derived from this data provide a basis of comparison for municipal liquor operations to highlight the current trends and financial condition of these operations. This report provides comparative data to city officials to assist them in the management of their municipal liquor store operations. In addition, it provides information to the public and policymakers, enabling them to evaluate the financial condition of these operations.

[1]Minnesota Statutes § 340A.601 authorizes cities with not more than 10,000 people to own and operate on-sale and off-sale liquor establishments. Once a city has established a municipal liquor store, it may continue to operate the store regardless of a subsequent change in population.
[2]"On- and off-sale" operations are referred to as "on-sale" operations in this report.
[3]The Cities of Clearbrook and Ivanhoe did not submit financial information in time for this publication.

Executive Summary

- The combined net profit of all municipal liquor operations totaled $27.3 million in 2022. This represents a decrease of $9.4 million, or 25.6 percent, from the amount generated in 2021. Among on-sale operations, net profits totaled $3.8 million in 2022, which was a decrease of $2.8 million, or 42.6 percent, from 2021. Total net profits for off-sale operations totaled $23.5 million in 2022, which represents a decrease of $6.6 million, or 21.9 percent, from 2021 (pg. 6).

- Over the past five years, net profits decreased 5.9 percent. Among off-sale operations, there was a 7.7 percent decrease in net profits, while on-sale establishments showed an increase of 7.4 percent (pg. 6).

- Thirty-one Minnesota cities reported net losses for 2022 (18 more than 2021). Twenty-seven of the 31 cities with losses were located in Greater Minnesota (pg. 7).

- During 2022, Minnesota's municipal liquor operations reported a 27th consecutive year of record sales, totaling $432.2 million. Total sales generated in 2022 increased by $8.0 million, or 1.9 percent, over 2021. Among individual liquor operations that were in business for all of 2022, total sales ranged from $98,753 in Hanska to $21.9 million in Lakeville (pg. 7).

- During 2022, Minnesota's municipal liquor operations reported operating expenses totaling $98.1 million. This represents an increase of $11.5 million, or 13.3 percent, over the amount reported in 2021 (pg. 8).

- Municipal liquor operations located within the Metro Area are considerably larger and more profitable than their Greater Minnesota counterparts. Although only 18 of the 176 Minnesota cities (10.2 percent) that own and operate municipal liquor stores are located in the Metro Area, they represent 33.8 percent of the total sales and 26.3 percent of the net profits of municipal liquor operations. Sales by all Metro Area municipal liquor operations averaged $3.7 million in 2022, compared to average sales of $1.7 million for all Greater Minnesota operations[4] (pg. 9).

- During 2022, Minnesota's municipal liquor stores had net transfers (transfers out minus transfers in) of $22.9 million. This represents a decrease of 0.7 percent from the total net transfers made in 2021. Net transfers totaled $8.0 million among Metro Area establishments, compared to $14.9 million for Greater Minnesota establishments (pg. 12).

[4]The average was calculated by dividing the total sales for the Metro Area by the number of liquor stores in the Metro Area, and likewise for Greater Minnesota.

Recommendations

An important role of this report is to provide data to city officials that will enable them to evaluate the efficiency of their liquor operations through comparisons to similarly-situated liquor operations. The tables included in this report may be downloaded as a spreadsheet so those who manage municipal liquor operations can compare their operation to similar operations. Municipal officials can compare location, population, and financial indicators, such as total sales, to make the review of operations more meaningful.

City officials should compare their operations to cities with the same type of operations. Off-sale operations should not be compared to on-sale operations because operating expenses are generally much higher for on-sale operations, due to factors such as the added costs of bartenders, wait staff, and entertainment. Useful comparisons include:

- **Gross Profits.** Cities with relatively low gross profits (total sales minus cost of sales) should consider whether the gross profits reflect their intended markup policies. If gross profits are well below the intended markup of inventory, a number of factors could exist, such as lack of compliance with markup policies; pricing discounts, such as special reduced pricing; theft; poor inventory control; or damage of inventory.[5]

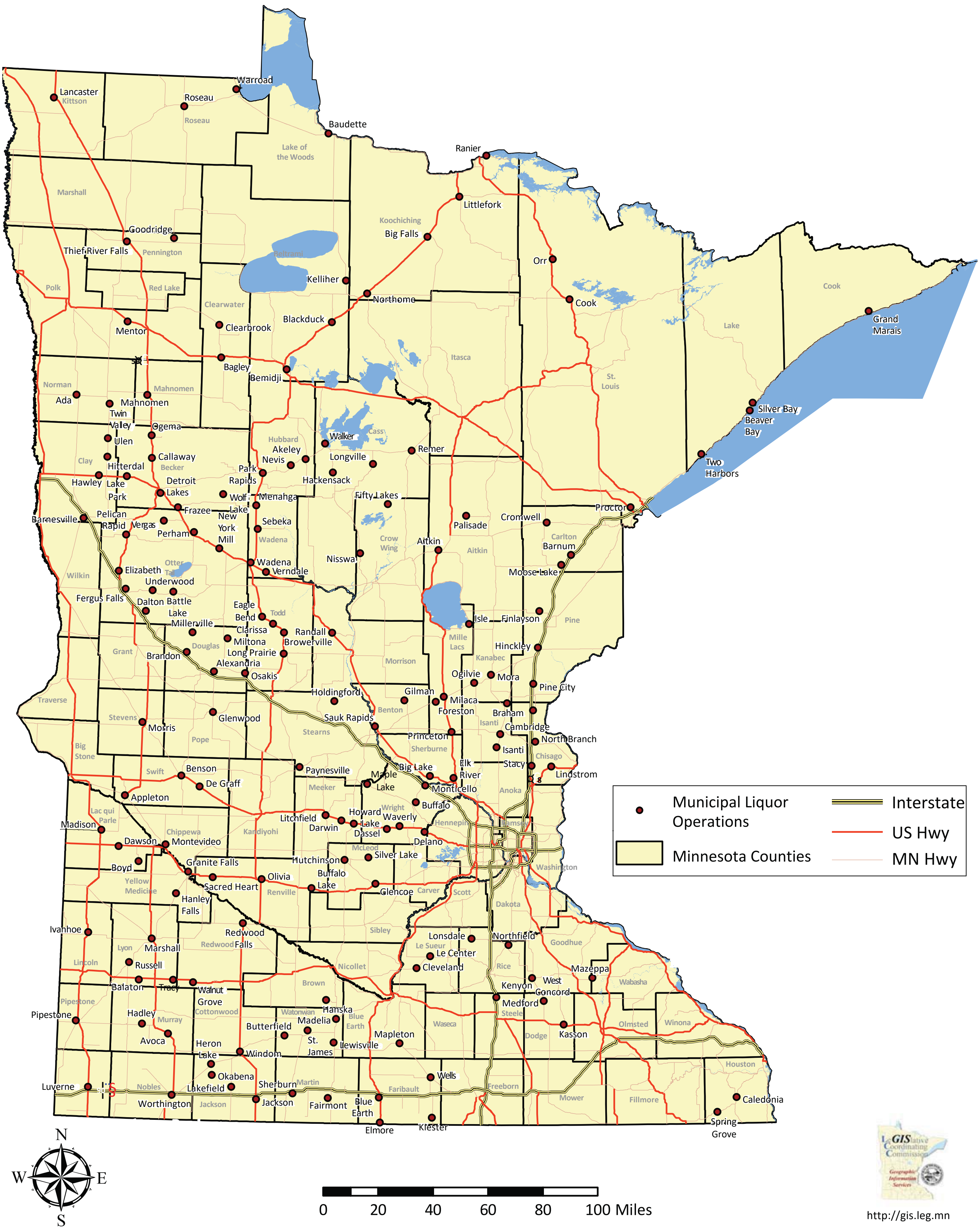
- **Gross Profits as a Percent of Total Sales.** This measure may help a city determine if its intended markup is below other nearby municipal liquor stores, therefore, resulting in a lower gross profit. Conversely, if the markup is higher than nearby cities, it may hurt sales. It is important to use the proper comparison. Gross profits as a percent of total sales are higher for on-sale operations than off-sale operations. On-sale operations require a greater gross profit margin to cover the higher operating costs associated with these types of operations.

- **Operating Expenses.** If operating expenses are relatively high compared to similarly-sized stores, an examination of stores with low operating expenses may provide ideas on how to operate more efficiently.

- **Operating Expenses as a Percent of Sales.** A comparison of operating expenses as a percent of sales can help determine the efficiency of the operation. In operations with similar levels of sales, this percentage should be comparable.

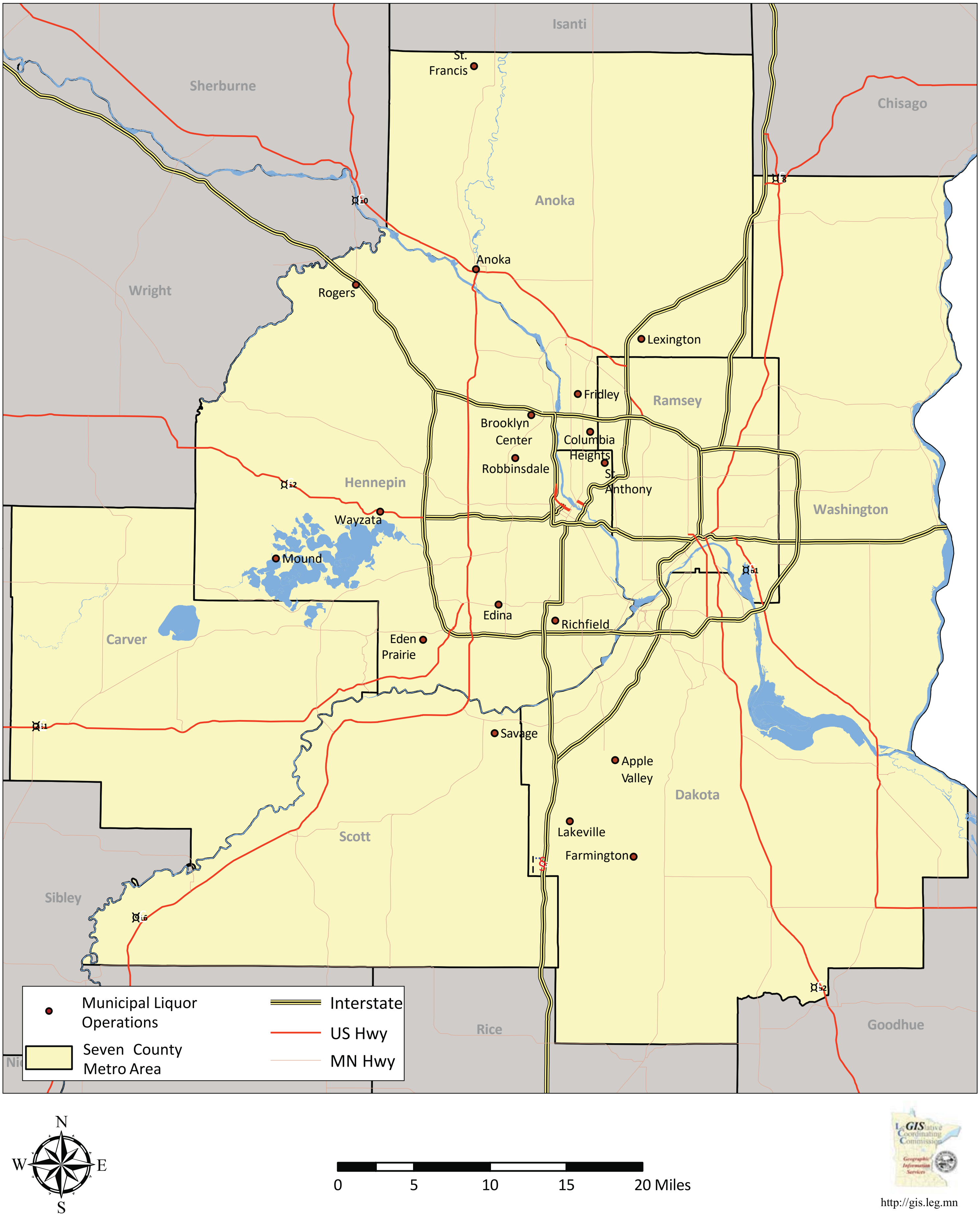
[5]It is important to conduct a physical inventory on a regular basis and compare it to perpetual inventory amounts and investigate discrepancies. For additional information on detecting and preventing fraud, see the Office of the State Auditor's Statement of Position, "Internal Controls for Municipal Liquor Stores."

2022 Municipal Liquor Operations in Greater Minnesota



http://gis.leg.mn

2022 Municipal Liquor Operations in the Seven-County Metro Area



Net Profits of Municipal Liquor Store Operations

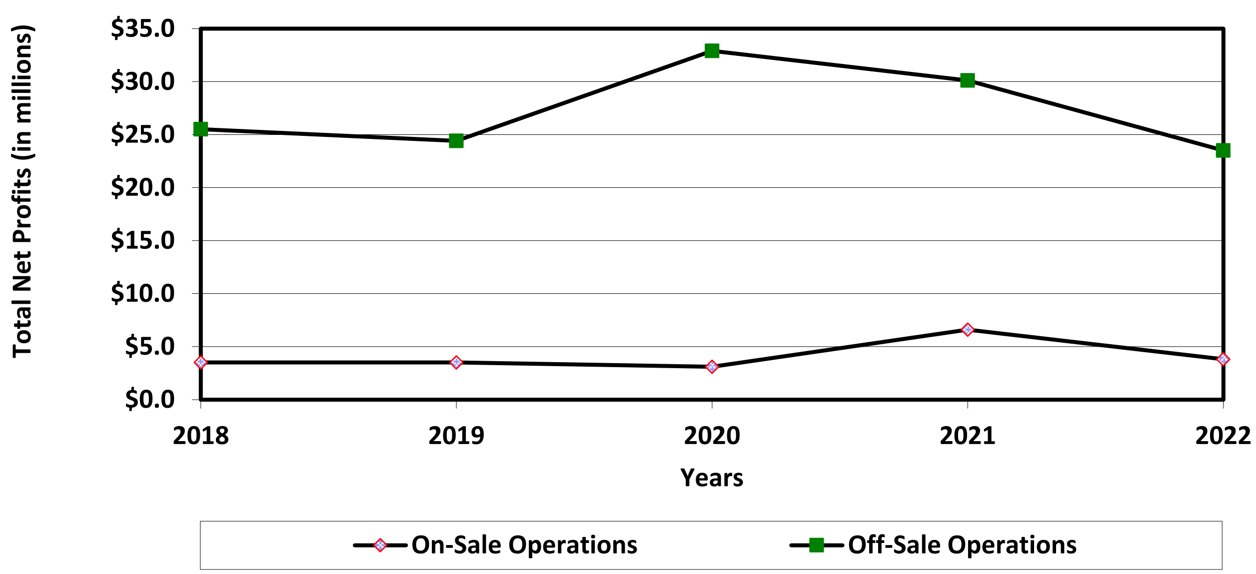
Overall

The combined net profit of all municipal liquor operations totaled $27.3 million in 2022. This represents a decrease of $9.4 million, or 25.6 percent, from the amount generated in 2021. Among on-sale operations, net profits totaled $3.8 million in 2022, which was a decrease of $2.8 million, or 42.6 percent, from 2021. Total net profits for off-sale operations totaled $23.5 million in 2022, which represents a decrease of $6.6 million, or 21.9 percent, from 2021.

Over the past five years, net profits decreased 5.9 percent. Among off-sale operations, there was a 7.7 percent decrease in net profits, while on-sale establishments showed an increase of 7.4 percent.

Figure 1 below shows the five-year trend of net profits.

Figure 1: Total Net Profits by Operation Type for the Years 2018 to 2022



Variances Among Individual Operations

Net profits and losses for municipal liquor stores operating as of December 31, 2022, ranged from a net loss of $182,855 in Anoka to a profit of $1.1 million in Lakeville. Overall, of the municipal liquor operations that reported in both 2021 and 2022, 34 cities showed year-to-year increases in their net profits, while 142 showed decreases. Of the 142 cities with declines in net profits between 2021 and 2022, 126 were in Greater Minnesota, and sixteen were in the Metro Area.

Operations Losing Money

In addition to municipal liquor operations that posted a decline in net profits between 2021 and 2022, 31 Minnesota cities reported net losses for 2022 (18 more than 2021). Twenty-seven of the 31 cities with losses were located in Greater Minnesota. Of the 31 cities whose liquor operations had net losses in 2022, 17 were on-sale operations and 14 were off-sale. Table 1 below lists the cities whose liquor operations posted net losses in 2022.[6]

Table 1

Municipal Liquor Store Operations with Net Losses in 2022

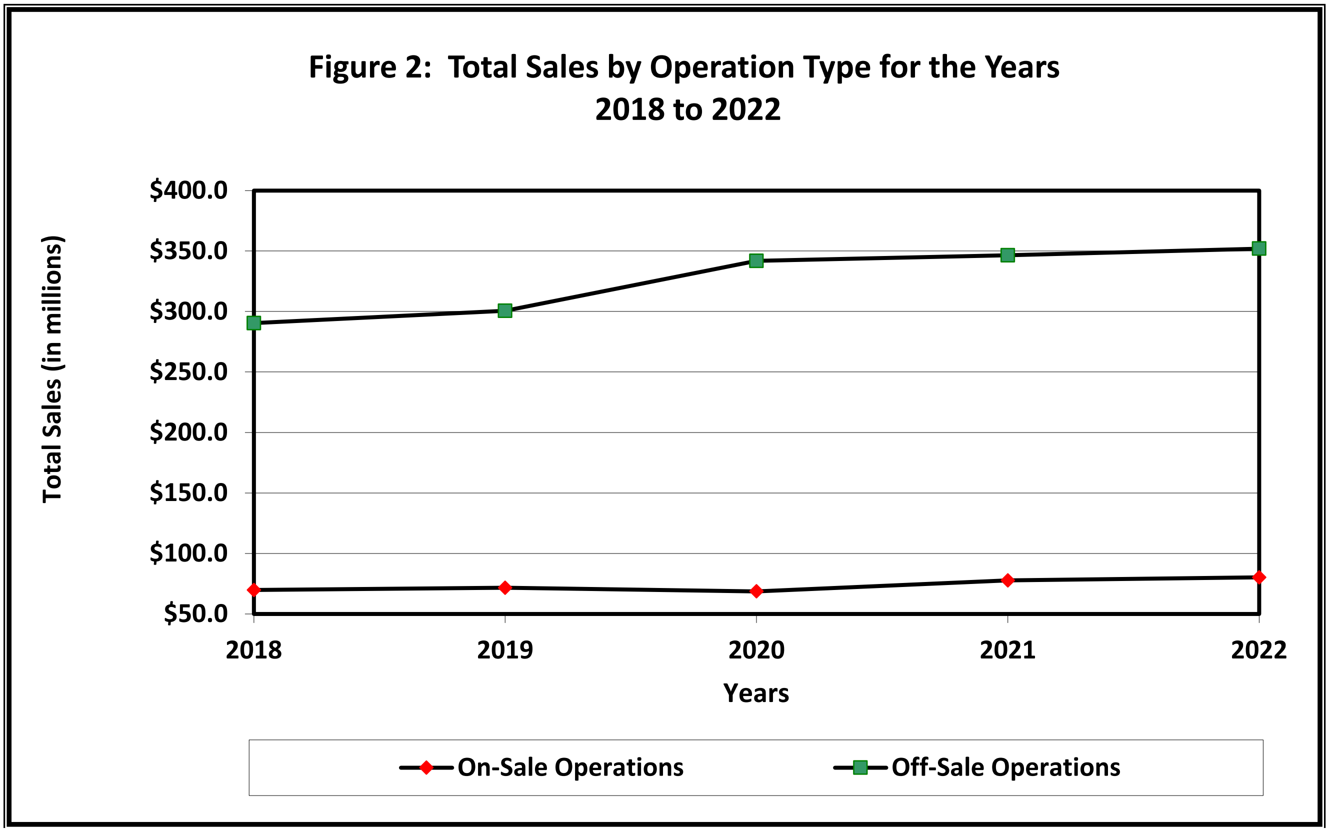
Name of City	Net Loss	Name of City	Net Loss
Anoka	$ (182,855)	Sebeka	(16,095)
Lake Park	(174,058)	Dalton	(15,679)
Blackduck	(96,419)	Underwood	(14,482)
Remer	(75,568)	Olivia	(11,969)
Sauk Rapids	(66,246)	Beaver Bay	(10,598)
Brooklyn Center	(59,236)	Elmore	(8,384)
Robbinsdale	(52,095)	Vergas	(7,436)
Butterfield	(50,742)	Waverly	(6,785)
De Graff	(38,735)	Hanley Falls	(6,577)
Spring Grove	(35,839)	Clarissa	(4,292)
Sacred Heart	(27,403)	Buffalo Lake	(1,515)
Elizabeth	(25,262)	Ada	(1,508)
Saint Francis	(24,572)	Balaton	(1,386)
Hanska	(23,741)	Holdingford	(528)
Luverne	(22,738)	Eagle Bend	(395)
Walnut Grove	(21,881)		

Total Sales at Municipal Liquor Operations

During 2022, Minnesota's municipal liquor operations reported a 27th consecutive year of record sales, totaling $432.2 million. Total sales generated in 2022 increased by $8.0 million, or 1.9 percent, over 2021. Among individual liquor operations that were in business for all of 2022, total sales ranged from $98,753 in Hanska to $21.9 million in Lakeville.

Figure 2 on the following page shows total sales by operation type for the years 2018 to 2022.

[6]The losses shown in Table 1 include pension expenses. When calculating net income or loss for the purpose of determining whether or not an entity needs to hold a public hearing on the question of whether the city shall continue to operate a municipal liquor store, pension costs are removed. See Minnesota Statutes § 340A.602.

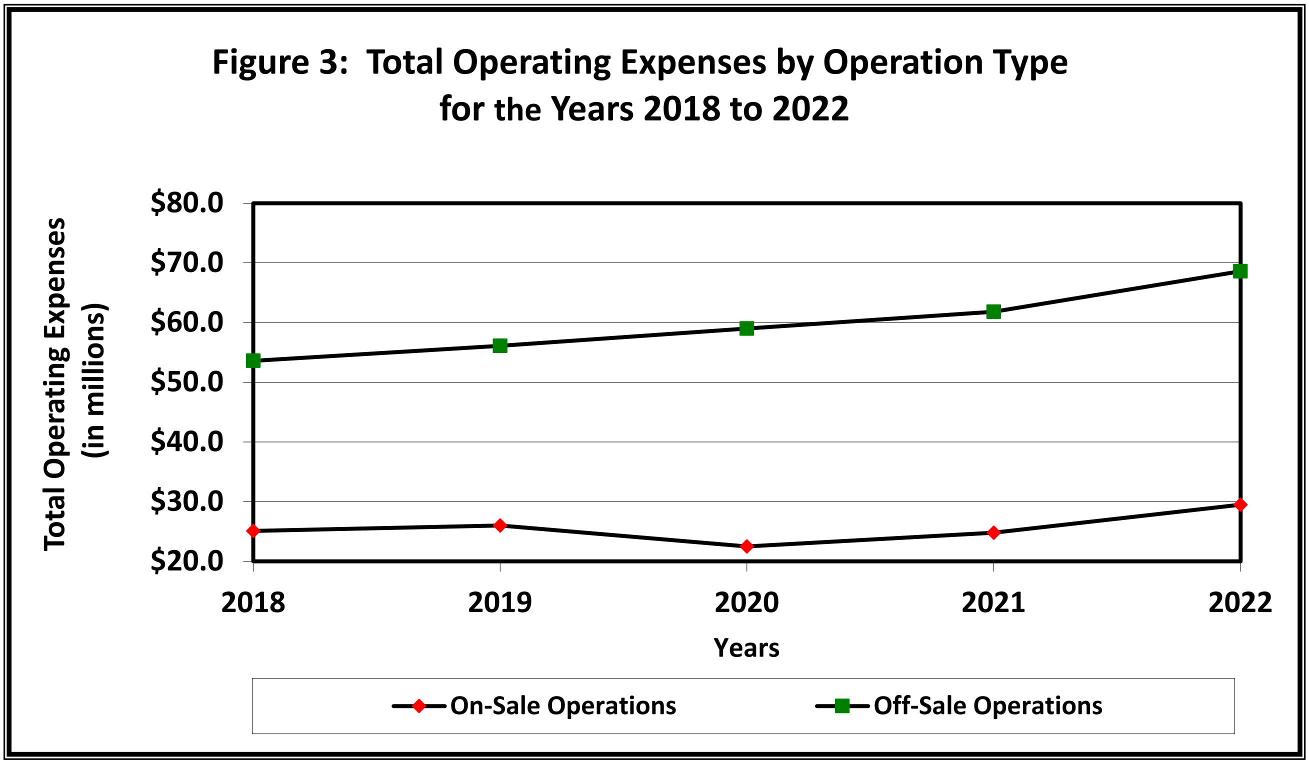


Operating Expenses of Municipal Liquor Operations

During 2022, Minnesota's municipal liquor operations reported operating expenses totaling $98.1 million. This represents an increase of $11.5 million, or 13.3 percent, over the amount reported in 2021. Off-sale liquor operations had operating expenses totaling $68.6 million in 2022. This represents an increase of $6.8 million, or 11.0 percent, over 2021. Operating expenses for on-sale liquor operations totaled $29.5 million in 2022. This represents an increase of $4.7 million, or 19.0 percent, over 2021.

Among individual liquor operations that were in business for all of 2022, expenses ranged from a high of $4.5 million in Lakeville to a low of $35,776 in Elmore. In general, the level of sales has an effect on the level of expenses (the greater the level of sales, the higher the operating expenses). However, even among operations with similar levels of sales, there is a wide range of operating expenses.

Figure 3 on the following page shows operating expenses from 2018 to 2022 by operation type.



Comparison Between Municipal Liquor Operations in Greater Minnesota and the 7-County Metro Area

Sales

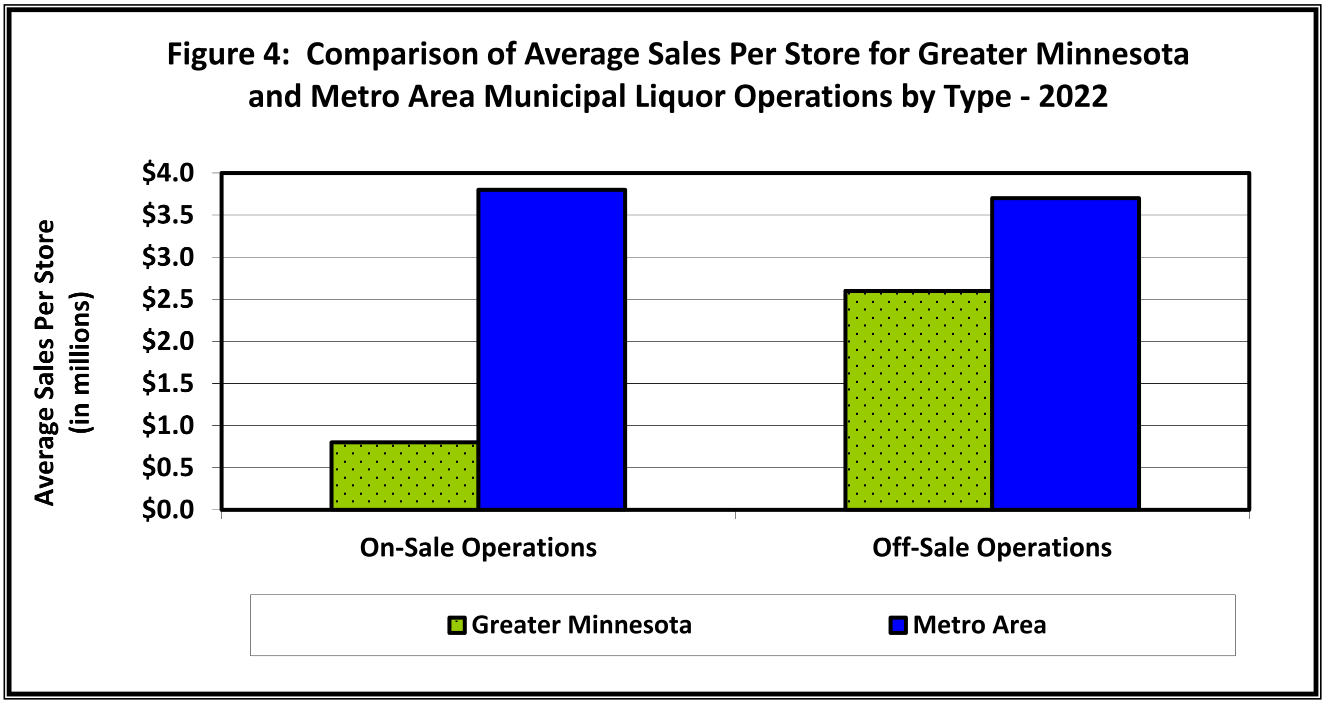
Municipal liquor operations located within the Metro Area are considerably larger and more profitable than their Greater Minnesota counterparts. Although only 18 of the 176 Minnesota cities (10.2 percent) that own and operate municipal liquor stores are located in the Metro Area, they represent 33.8 percent of the total sales and 26.3 percent of the net profits of municipal liquor operations. Sales by all Metro Area municipal liquor operations averaged $3.7 million in 2022, compared to average sales of $1.7 million for all Greater Minnesota operations.[7]

On-Sale and Off-Sale Sales Comparison

When broken down by type of operation, the contrasts between Greater Minnesota and Metro Area operations are clear. Off-sale operations in the Metro Area average sales of $3.7 million, compared to $2.6 million in Greater Minnesota. Metro Area operations are almost exclusively off-sale operations. Among Metro Area municipal liquor operations, off-sale operations outnumbered on-sale operations 36 to three. Conversely, among Greater Minnesota cities with municipal liquor operations, on-sale operations outnumbered off-sale operations 89 to 83. As with off-sale operations, on-sale operations are much larger in the Metro Area than in Greater Minnesota. Sales per on-sale establishment were almost five times greater in the Metro Area than in Greater Minnesota, $3.8 million to $774,546, respectively.

[7]The average was calculated by dividing the total sales for the Metro Area by the number of liquor stores in the Metro Area, and likewise for Greater Minnesota.

Figure 4 below shows the contrast in the level of average sales per store between liquor operations in Greater Minnesota and the Metro Area by establishment type.



Net Profit

In 2022, the average net profit of Metro Area municipal liquor operations was $184,500, compared to $116,954 for municipal liquor operations in Greater Minnesota. Net profits and losses among Metro Area liquor operations ranged from a net loss of $182,855 in Anoka to a net profit of $1.1 million in Lakeville. Net profits and losses among Greater Minnesota municipal liquor operations ranged from a net loss of $174,058 in Lake Park to a net profit of $958,514 in Fergus Falls.

On-Sale and Off-Sale Net Profit Comparison

The average net profit of off-sale operations in the Metro Area was $189,244, compared to $201,492 for off-sale operations in Greater Minnesota.[8]

Among on-sale operations, there was a stark contrast between the Metro Area operations and those in Greater Minnesota. The average net profit per store in the Metro Area was $127,581, compared to $38,116 in Greater Minnesota.[9] The wide variance in net profit was primarily the result of two factors: higher sales volume at Metro Area operations and the accompanying efficiencies in purchasing power, staffing, and fixed asset costs in larger operations.

Operating Expenses as a Percent of Sales

An examination of sales and operating expenses of off-sale and on-sale operations shows a wide variation in operating expenses as a percent of sales. Among off-sale operations, operating expenses as a percent of sales ranged from a high of 47.5 percent in Butterfield to a low of 10.9 percent in Princeton. The average operating expenses as a percent of sales for off-sale operations was 19.5 percent.[10]

[8] The average was calculated by dividing the total net profit for each area by the number of liquor stores in each area.
[9] The Metro Area on-sale average is based on three stores, compared to 89 stores in Greater Minnesota.
[10] The average operating expenses as a percent of sales was calculated by dividing the sum of operating expenses by the sum of sales.

Among on-sale operations that were in business for all of 2022, operating expenses as a percent of sales ranged from a high of 69.2 percent in Hanska to a low of 22.4 percent in Hinckley. The average among on-sale operations was 36.7 percent. Off-sale operations should not be compared to on-sale operations because operating expenses are generally much higher for on-sale operations due to factors such as the added costs of bartenders, wait staff, and entertainment.

Figure 5 below compares the average operating expenses as a percent of sales for the Metro Area and Greater Minnesota by type of municipal liquor operation.

Figure 5: Comparison of Average Operating Expenses as a Percent of Sales for Greater Minnesota and Metro Area Municipal Liquor Operations by Type - 2022

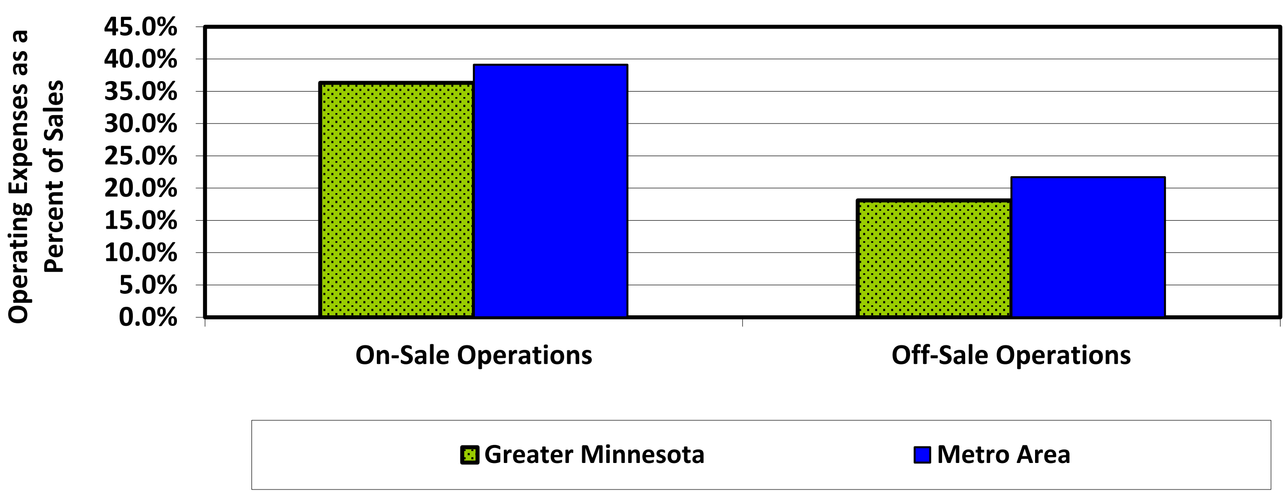


Table 2 below shows the range of operating expenses for stores with similar levels of total sales.[11]

Table 2

Off-Sale Liquor Store Total Sales and Total Operating Expenses - 2022

Off-Sale Municipal Liquor Stores with Total Sales Between	Number of Cities	Range in Total Operating Expenses
$1 to $500,000	6	$35,776 to $118,736
$500,001 to $1,000,000	9	$127,416 to $205,490
$1,000,001 to $2,000,000	23	$210,318 to $455,491
$2,000,001 to $3,000,000	16	$302,395 to $726,267
$3,000,001 to $5,000,000	13	$444,956 to $1,103,586
Greater than $5,000,000	26	$622,521 to $4,533,001

[11]A similar analysis for cities that operate both on-sale and off-sale liquor establishments is not useful because of the differences among these operations. The operating expenses of on-sale establishments are generally considerably higher than the operating expenses of off-sale establishments. Comparisons between the total operating expenses of on-sale and off-sale establishments in different cities could be misleading due to the potential for contrasting the operating expenses of a city with a small on-sale operation and a large off-sale operation with the operating expenses of a city with a large on-sale operation and a small off-sale operation.

Net Transfers of Municipal Liquor Store Operations

Transfers

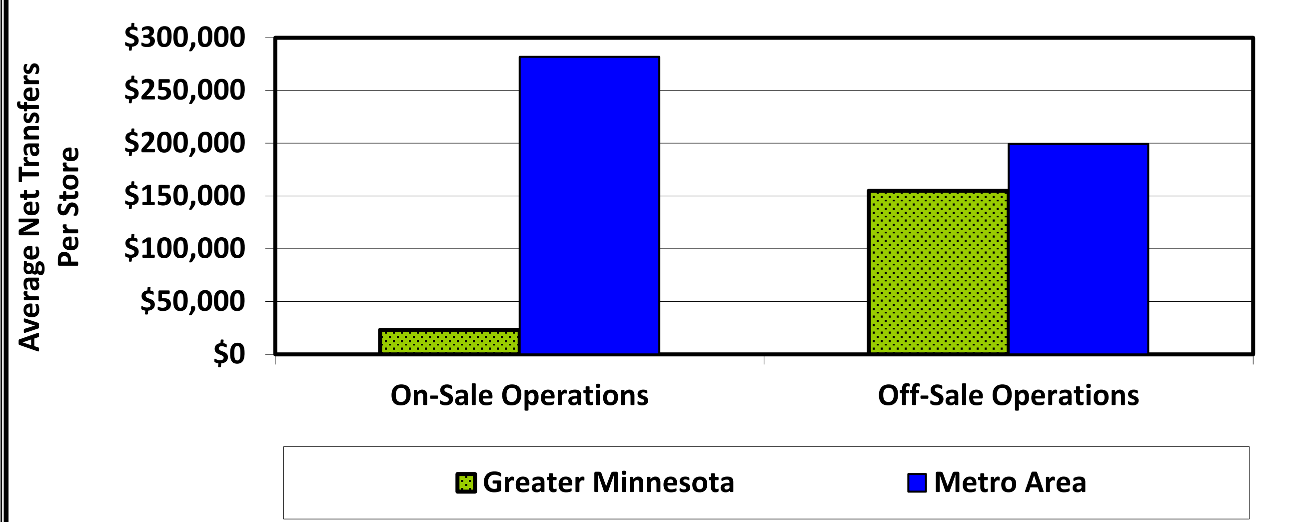
Profits generated by municipal liquor operations generally serve two purposes. First, municipal liquor operations use profits to ensure that they have an adequate level of reserves to purchase inventory and maintain their facilities. Second, profits in excess of what is needed to fulfill the first purpose may be transferred to other city funds to supplement existing revenue sources. During 2022, Minnesota's municipal liquor stores had net transfers (transfers out minus transfers in) of $22.9 million. This represents a decrease of 0.7 percent from the total net transfers made in 2021. Net transfers totaled $8.0 million among Metro Area establishments, compared to $14.9 million for Greater Minnesota establishments.

On-Sale and Off-Sale Transfers Comparison

The overall level of net transfers was larger in Greater Minnesota than the Metro Area. When transfers are examined on a per-establishment basis, the average net transfer for off-sale stores in the Metro Area was more than those in Greater Minnesota ($199,323 to $154,919, respectively). The average net transfer per on-sale establishment was 12 times greater among operations in the Metro Area than in Greater Minnesota ($281,732 to $23,077, respectively).[12]

Figure 6 below shows the difference in average net transfers between operations in the Metro Area and Greater Minnesota by type of store.

Figure 6: Comparison of Average Net Transfers for Greater Minnesota and Metro Area Municipal Liquor Operations by Type - 2022



[12]The Metro Area on-sale average is based on three stores, compared to 89 stores in Greater Minnesota.

Oversight Responsibilities

City officials who are responsible for the operation of municipal liquor establishments should make certain that the operations are managed appropriately and do not have a negative financial impact on the city. Minnesota law requires cities to hold a public hearing on the future of their liquor store(s) if the liquor operation shows a net loss in at least two of the past three years. While this report is based on 2022 data, an examination of losses for the years 2020, 2021, and 2022 shows that the 14 cities in Table 3 below should hold public hearings on or after November 17, 2023.[13] Of the 14 cities required to hold a hearing in 2023, 10 were also required to hold a public hearing in 2022.

Table 3

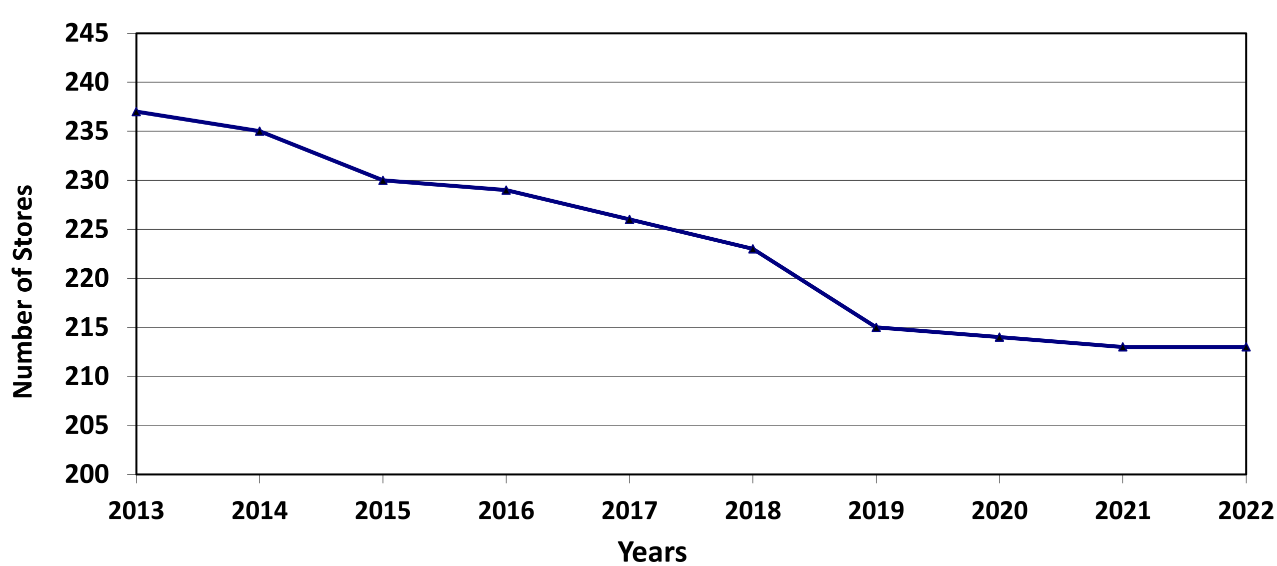
Cities Required to Hold Hearings in 2023

Brooklyn Center	Buffalo Lake	Butterfield	De Graff	Elmore	Hanska
Holdingford	Ivanhoe	Lake Park	Littlefork	Okabena	Remer
Spring Grove	Walnut Grove				

Declining Number of Liquor Operations

Due, in part, to the lack of profitability, insurance costs, competition, and other concerns, the number of municipal liquor stores has steadily declined. Figure 7 below shows the decline in the number of municipal liquor stores over the last ten years.[14]

Figure 7: Number of Municipal Liquor Operations - 2013 to 2022



[13]To calculate net losses for this analysis, pension costs were excluded. Minnesota Statutes § 340A.602 was amended in 2020 to remove pension costs associated with Governmental Accounting Standards Board (GASB) Statement 68 as part of the calculation of net income. Also, see the Office of the State Auditor's Statement of Position, "Municipal Liquor Store Hearings."

[14]Figure 7 shows the number of liquor establishments operating in the given year (includes those that were operating but did not report in time for this publication).

Table 4
Comparison of 2021 and 2022 Liquor Store Operations

On-Sale and Off-Sale Stores

	2021	2022				
Number of Cities	85	83				
			Percent of Sales			Percent
	Amount	Amount	2021	2022	Variance	Change
Sales	$77,700,609	$80,258,299	100.0%	100.0%	$2,557,690	3.3%
Cost of Sales	47,636,151	48,453,655	61.3%	60.4%	817,504	1.7%
Gross Profit	30,064,458	31,804,644	38.7%	39.6%	1,740,186	5.8%
Operating Expenses	24,764,785	29,481,290	31.9%	36.7%	4,716,505	19.0%
Income from Operations	5,299,673	2,323,354	6.8%	2.9%	(2,976,319)	-56.2%
Nonoperating Revenues	1,397,916	1,645,611	1.8%	2.1%	247,695	17.7%
Nonoperating Expenses	123,186	193,937	0.2%	0.2%	70,751	57.4%
Net Income Before Transfers	6,574,403	3,775,028	8.5%	4.7%	(2,799,375)	-42.6%
Net Transfers (Transfers Out - Transfers In)	2,160,689	2,899,027	2.8%	3.6%	738,338	34.2%

Off-Sale Only Stores

	2021	2022				
Number of Cities	93	93				
			Percent of Sales			Percent
	Amount	Amount	2021	2022	Variance	Change
Sales	$346,491,508	$351,979,527	100.0%	100.0%	$5,488,019	1.6%
Cost of Sales	254,792,871	257,737,484	73.5%	73.2%	2,944,613	1.2%
Gross Profit	91,698,637	94,242,043	26.5%	26.8%	2,543,406	2.8%
Operating Expenses	61,796,678	68,573,672	17.8%	19.5%	6,776,994	11.0%
Income from Operations	29,901,959	25,668,371	8.6%	7.3%	(4,233,588)	-14.2%
Nonoperating Revenues	1,005,685	(1,040,889)	0.3%	-0.3%	(2,046,574)	-203.5%
Nonoperating Expenses	775,275	1,090,878	0.2%	0.3%	315,603	40.7%
Net Income Before Transfers	30,132,369	23,536,604	8.7%	6.7%	(6,595,765)	-21.9%
Net Transfers (Transfers Out - Transfers In)	20,932,027	20,033,889	6.0%	5.7%	(898,138)	-4.3%

Total City Liquor Stores

	2021*	2022*				
Number of Cities	178	176				
			Percent of Sales			Percent
	Amount	Amount	2021	2022	Variance	Change
Sales	$424,192,117	$432,237,826	100.0%	100.0%	$8,045,709	1.9%
Cost of Sales	302,429,022	306,191,139	71.3%	70.8%	3,762,117	1.2%
Gross Profit	121,763,095	126,046,687	28.7%	29.2%	4,283,592	3.5%
Operating Expenses	86,561,463	98,054,962	20.4%	22.7%	11,493,499	13.3%
Income from Operations	35,201,632	27,991,725	8.3%	6.5%	(7,209,907)	-20.5%
Nonoperating Revenues	2,403,601	604,722	0.6%	0.1%	(1,798,879)	-74.8%
Nonoperating Expenses	898,461	1,284,815	0.2%	0.3%	386,354	43.0%
Net Income Before Transfers	36,706,772	27,311,632	8.7%	6.3%	(9,395,140)	-25.6%
Net Transfers (Transfers Out - Transfers In)	23,092,716	22,932,916	5.4%	5.3%	(159,800)	-0.7%

*The Cities of Clearbrook and Ivanhoe failed to report in time for this publication. The 2021 numbers have been updated to reflect changes made between the issuance of the 2021 Municipal Liquor Store Report and the issuance of the 2021 Minnesota City Finances Report. The Cities of Brooklyn Center and Park Rapids submitted preliminary numbers for this report and could be revised later.

Appendix 1

2022 Liquor Store Tables

Table 5

Comparison of City Liquor Store Operations - 2022

						Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
Ada	Off-Sale Only	---	1,773	623,943	453,503	170,440	27.3%	171,948	(1,508)	---	---	(1,508)	-0.2%	---
Aitkin	Off-Sale Only	---	2,266	1,538,130	1,203,859	334,271	21.7%	309,466	24,805	25,086	---	49,891	3.2%	78,000
Akeley	On- & Off-Sale	---	426	488,961	226,495	262,466	53.7%	241,411	21,055	1,888	---	22,943	4.7%	13,532
Alexandria	Off-Sale Only	---	15,263	7,973,675	6,034,273	1,939,402	24.3%	1,396,436	542,966	5,689	1,193	547,462	6.9%	286,074
Anoka	Off-Sale Only	---	18,127	3,531,627	2,624,248	907,379	25.7%	1,097,899	(190,520)	7,665	---	(182,855)	-5.2%	240,000
Apple Valley	Off-Sale Only	---	55,673	10,882,866	7,630,825	3,252,041	29.9%	2,320,251	931,790	(128,495)	12,938	790,357	7.3%	850,000
Appleton	Off-Sale Only	---	1,425	618,969	443,255	175,714	28.4%	156,476	19,238	---	66	19,172	3.1%	---
Avoca	On- & Off-Sale	---	114	240,048	100,425	139,623	58.2%	124,979	14,644	22,845	3,485	34,004	14.2%	27,668
Bagley	Off-Sale Only	---	1,299	1,761,193	1,314,532	446,661	25.4%	338,529	108,132	816	18,459	90,489	5.1%	---
Balaton	On- & Off-Sale	---	593	387,149	257,444	129,705	33.5%	136,331	(6,626)	5,240	---	(1,386)	-0.4%	1
Barnesville	Off-Sale Only	---	2,858	1,103,319	804,116	299,203	27.1%	255,205	43,998	4,615	10,266	38,347	3.5%	---
Barnum	On- & Off-Sale	---	631	803,613	415,248	388,365	48.3%	315,818	72,547	37,823	---	110,370	13.7%	---
Battle Lake	Off-Sale Only	---	857	2,037,629	1,493,718	543,911	26.7%	393,263	150,648	2,791	11,690	141,749	7.0%	55,000
Baudette	On- & Off-Sale	---	976	1,966,633	1,198,987	767,646	39.0%	498,206	269,440	12,106	---	281,546	14.3%	170,000
Beaver Bay	On- & Off-Sale	---	126	632,537	427,677	204,860	32.4%	252,109	(47,249)	36,651	---	(10,598)	-1.7%	---
Bemidji	Off-Sale Only	---	15,947	8,366,668	5,740,598	2,626,070	31.4%	1,875,021	751,049	15,804	118,297	648,556	7.8%	774,499
Benson	On- & Off-Sale	---	3,562	1,412,232	960,634	451,598	32.0%	423,577	28,021	45,585	---	73,606	5.2%	80,000
Big Falls	On- & Off-Sale	---	192	377,299	171,607	205,692	54.5%	198,254	7,438	668	---	8,106	2.1%	5,000
Big Lake	Off-Sale Only	---	12,492	5,623,585	4,092,018	1,531,567	27.2%	915,941	615,626	32,633	6,200	642,059	11.4%	450,000
Blackduck	On- & Off-Sale	---	844	1,638,505	951,968	686,537	41.9%	789,017	(102,480)	17,398	11,337	(96,419)	-5.9%	27,500
Blue Earth	Off-Sale Only	---	3,130	1,834,369	1,373,524	460,845	25.1%	413,813	47,032	10,592	---	57,624	3.1%	100,000
Boyd	On- & Off-Sale	---	141	606,074	352,438	253,636	41.8%	263,949	(10,313)	38,209	14,998	12,898	2.1%	---
Braham	Off-Sale Only	---	1,784	1,833,303	1,384,437	448,866	24.5%	455,491	(6,625)	17,384	---	10,759	0.6%	60,000
Brandon	On- & Off-Sale	---	510	627,320	354,457	272,863	43.5%	241,993	30,870	3,623	---	34,493	5.5%	11,776
Brooklyn Center	Off-Sale Only	---	33,938	6,909,980	5,108,499	1,801,481	26.1%	1,790,242	11,239	(3,716)	66,759	(59,236)	-0.9%	---
Browerville	On- & Off-Sale	---	834	582,081	355,874	226,207	38.9%	253,174	(26,967)	41,144	182	13,995	2.4%	10,800
Buffalo	Off-Sale Only	---	16,884	7,071,931	5,158,699	1,913,232	27.1%	1,373,796	539,436	68,851	35	608,252	8.6%	475,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 5

Comparison of City Liquor Store Operations - 2022

						Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
Buffalo Lake	On- & Off-Sale	---	660	503,225	282,946	220,279	43.8%	262,489	(42,210)	40,695	---	(1,515)	-0.3%	---
Butterfield	Off-Sale Only	---	601	184,824	148,923	35,901	19.4%	87,829	(51,928)	1,186	---	(50,742)	-27.5%	---
Caledonia	Off-Sale Only	---	2,895	1,005,971	767,486	238,485	23.7%	210,318	28,167	638	---	28,805	2.9%	25,000
Callaway	On- & Off-Sale	---	197	530,140	280,968	249,172	47.0%	161,611	87,561	1,016	---	88,577	16.7%	9,000
Cambridge	Off-Sale Only	---	10,541	6,650,664	4,953,842	1,696,822	25.5%	972,650	724,172	(5,586)	---	718,586	10.8%	725,000
Clarissa	On- & Off-Sale	---	662	500,782	282,962	217,820	43.5%	216,462	1,358	4,484	10,134	(4,292)	-0.9%	---
Cleveland	On- & Off-Sale	---	801	293,732	178,510	115,222	39.2%	158,962	(43,740)	55,097	---	11,357	3.9%	---
Columbia Heights	Off-Sale Only	---	21,592	9,338,869	7,025,816	2,313,053	24.8%	2,007,369	305,684	(17,066)	43,582	245,036	2.6%	378,850
Cook	Off-Sale Only	---	537	1,564,491	1,164,197	400,294	25.6%	304,513	95,781	1,706	---	97,487	6.2%	---
Cromwell	On- & Off-Sale	---	253	421,061	170,375	250,686	59.5%	233,476	17,210	16,692	---	33,902	8.1%	40,961
Dalton	Off-Sale Only	---	209	248,296	194,674	53,622	21.6%	69,413	(15,791)	112	---	(15,679)	-6.3%	---
Darwin	Off-Sale Only	---	350	795,132	631,496	163,636	20.6%	127,416	36,220	208,129	---	244,349	30.7%	---
Dassel	Off-Sale Only	---	1,505	1,330,688	1,056,973	273,715	20.6%	259,390	14,325	17,566	22,548	9,343	0.7%	---
Dawson	Off-Sale Only	---	1,464	537,427	378,763	158,664	29.5%	134,870	23,794	(980)	---	22,814	4.2%	---
De Graff	On- & Off-Sale	---	111	434,682	245,005	189,677	43.6%	282,448	(92,771)	54,714	678	(38,735)	-8.9%	(33,424)
Delano	Off-Sale Only	---	7,023	3,802,905	2,731,221	1,071,684	28.2%	770,979	300,705	(13,162)	7,670	279,873	7.4%	674,009
Detroit Lakes	Off-Sale Only	---	10,119	8,916,748	6,498,162	2,418,586	27.1%	1,383,229	1,035,357	(55,038)	86,537	893,782	10.0%	609,795
Eagle Bend	On- & Off-Sale	---	542	276,382	147,623	128,759	46.6%	159,174	(30,415)	30,020	---	(395)	-0.1%	9,664
Eden Prairie	Off-Sale Only	---	64,023	12,067,226	8,450,887	3,616,339	30.0%	2,591,577	1,024,762	(40,588)	45,050	939,124	7.8%	800,000
Edina	Off-Sale Only	---	54,048	14,427,474	10,010,262	4,417,212	30.6%	3,723,521	693,691	(69,456)	---	624,235	4.3%	995,327
Elizabeth	Off-Sale Only	---	166	474,542	381,068	93,474	19.7%	118,736	(25,262)	---	---	(25,262)	-5.3%	---
Elk River	Off-Sale Only	---	27,001	8,531,414	6,191,510	2,339,904	27.4%	1,593,173	746,731	(489,851)	344	256,536	3.0%	1,000,000
Elmore	Off-Sale Only	---	536	100,245	72,853	27,392	27.3%	35,776	(8,384)	---	---	(8,384)	-8.4%	---
Fairmont	Off-Sale Only	---	10,549	4,539,324	3,245,750	1,293,574	28.5%	653,037	640,537	(89,199)	---	551,338	12.1%	376,550
Farmington	Off-Sale Only	---	23,719	6,387,611	4,728,067	1,659,544	26.0%	1,212,002	447,542	(38,575)	37,334	371,633	5.8%	142,966
Fergus Falls	Off-Sale Only	---	14,085	7,310,030	4,976,220	2,333,810	31.9%	1,319,097	1,014,713	(56,199)	---	958,514	13.1%	675,189
Fifty Lakes	On- & Off-Sale	---	460	874,663	424,887	449,776	51.4%	377,881	71,895	---	---	71,895	8.2%	4,723

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 5

Comparison of City Liquor Store Operations - 2022

						Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
Finlayson	On- & Off-Sale	---	310	994,714	464,504	530,210	53.3%	417,385	112,825	123	4,819	108,129	10.9%	---
Foreston	On- & Off-Sale	---	571	462,369	199,905	262,464	56.8%	242,079	20,385	22,403	---	42,788	9.3%	28,612
Frazee	On- & Off-Sale	---	1,338	609,746	383,088	226,658	37.2%	218,303	8,355	56,866	---	65,221	10.7%	---
Fridley	Off-Sale Only	---	29,962	6,521,618	4,713,669	1,807,949	27.7%	1,307,853	500,096	(31,031)	43,707	425,358	6.5%	338,500
Gilman	On- & Off-Sale	---	219	474,806	207,957	266,849	56.2%	260,793	6,056	49,982	---	56,038	11.8%	---
Glencoe	Off-Sale Only	---	5,832	2,459,578	1,822,104	637,474	25.9%	385,348	252,126	206	12,459	239,873	9.8%	220,000
Glenwood	Off-Sale Only	---	2,705	1,764,924	1,303,924	461,000	26.1%	284,699	176,301	5,288	---	181,589	10.3%	60,000
Goodridge	On- & Off-Sale	---	102	445,244	230,456	214,788	48.2%	183,141	31,647	---	---	31,647	7.1%	20,000
Grand Marais	Off-Sale Only	---	1,344	2,355,091	1,658,128	696,963	29.6%	466,149	230,814	5,829	---	236,643	10.0%	200,004
Granite Falls	Off-Sale Only	---	2,673	1,452,238	1,097,138	355,100	24.5%	243,288	111,812	5,631	---	117,443	8.1%	100,000
Hackensack	On- & Off-Sale	---	300	1,758,383	1,232,878	525,505	29.9%	515,445	10,060	10,905	1,368	19,597	1.1%	---
Hadley	On- & Off-Sale	---	56	346,001	129,933	216,068	62.4%	142,470	73,598	8,515	3,003	79,110	22.9%	76,836
Hanley Falls	On- & Off-Sale	---	233	220,429	118,115	102,314	46.4%	117,206	(14,892)	9,487	1,172	(6,577)	-3.0%	---
Hanska	On- & Off-Sale	---	381	98,753	56,944	41,809	42.3%	68,312	(26,503)	3,176	414	(23,741)	-24.0%	4,640
Hawley	Off-Sale Only	---	2,353	1,514,063	1,104,033	410,030	27.1%	355,233	54,797	165	5,542	49,420	3.3%	25,000
Heron Lake	On- & Off-Sale	---	608	386,150	205,543	180,607	46.8%	158,773	21,834	703	---	22,537	5.8%	---
Hinckley	On- & Off-Sale	---	1,964	3,248,105	2,270,584	977,521	30.1%	726,557	250,964	(3,925)	1,581	245,458	7.6%	280,000
Hitterdal	On- & Off-Sale	---	217	526,484	301,731	224,753	42.7%	203,182	21,571	---	---	21,571	4.1%	(246)
Holdingford	On- & Off-Sale	---	749	371,965	195,376	176,589	47.5%	183,864	(7,275)	6,747	---	(528)	-0.1%	---
Howard Lake	On- & Off-Sale	---	2,173	1,007,849	755,607	252,242	25.0%	235,983	16,259	613	741	16,131	1.6%	---
Hutchinson	Off-Sale Only	---	15,037	7,316,938	5,656,007	1,660,931	22.7%	1,209,000	451,931	995	---	452,926	6.2%	550,000
Isanti	Off-Sale Only	---	7,218	5,226,928	3,737,028	1,489,900	28.5%	748,878	741,022	(927)	57,639	682,456	13.1%	350,000
Isle	On- & Off-Sale	---	827	994,514	748,442	246,072	24.7%	251,097	(5,025)	19,575	---	14,550	1.5%	12,000
Jackson	Off-Sale Only	---	3,360	1,619,316	1,177,854	441,462	27.3%	335,176	106,286	2,647	17,727	91,206	5.6%	56,000
Kasson	Off-Sale Only	---	7,115	1,684,032	1,319,660	364,372	21.6%	281,611	82,761	---	8,035	74,726	4.4%	16,000
Kelliher	On- & Off-Sale	---	265	743,422	436,292	307,130	41.3%	250,546	56,584	3,058	---	59,642	8.0%	20,000
Kenyon	On- & Off-Sale	---	1,960	816,360	548,899	267,461	32.8%	249,722	17,739	54,642	---	72,381	8.9%	40,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 5

Comparison of City Liquor Store Operations - 2022

Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit Amount ($)	Gross Profit Percent of Sales	Operating Expenses ($)	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
Kiester	Off-Sale Only	---	479	217,273	159,382	57,891	26.6%	58,759	(868)	4,394	500	3,026	1.4%	---
Lake Park	On- & Off-Sale	---	716	950,498	510,442	440,056	46.3%	614,437	(174,381)	323	---	(174,058)	-18.3%	---
Lakefield	Off-Sale Only	---	1,762	627,574	476,124	151,450	24.1%	134,084	17,366	2,881	---	20,247	3.2%	6,000
Lakeville	Off-Sale Only	---	73,828	21,894,980	16,008,561	5,886,419	26.9%	4,533,001	1,353,418	(167,094)	69,799	1,116,525	5.1%	1,295,451
Lancaster	On- & Off-Sale	---	386	359,627	171,517	188,110	52.3%	180,804	7,306	375	---	7,681	2.1%	30,000
Le Center	On- & Off-Sale	---	2,544	1,162,232	764,833	397,399	34.2%	374,706	22,693	74,240	---	96,933	8.3%	60,000
Lewisville	On- & Off-Sale	---	212	235,685	140,697	94,988	40.3%	115,100	(20,112)	42,365	---	22,253	9.4%	---
Lexington	Off-Sale Only	---	2,738	3,543,896	2,609,098	934,798	26.4%	717,632	217,166	3,091	---	220,257	6.2%	275,000
Lindstrom	On- & Off-Sale	---	5,019	3,012,702	2,128,290	884,412	29.4%	879,353	5,059	57,061	---	62,120	2.1%	191,330
Litchfield	Off-Sale Only	---	6,718	3,159,403	2,368,396	791,007	25.0%	444,956	346,051	3,674	---	349,725	11.1%	354,412
Littlefork	On- & Off-Sale	[16][21]	562	214,587	117,026	97,561	45.5%	67,613	29,948	46,697	---	76,645	35.7%	145,965
Long Prairie	Off-Sale Only	---	3,727	2,033,804	1,551,097	482,707	23.7%	302,395	180,312	3,894	---	184,206	9.1%	114,000
Longville	On- & Off-Sale	---	152	2,245,943	1,356,242	889,701	39.6%	591,792	297,909	237	---	298,146	13.3%	---
Lonsdale	Off-Sale Only	---	4,933	1,947,646	1,520,588	427,058	21.9%	292,906	134,152	940	---	135,092	6.9%	38,463
Luverne	Off-Sale Only	---	5,033	1,823,362	1,390,434	432,928	23.7%	431,472	1,456	(24,194)	---	(22,738)	-1.2%	45,000
Madelia	Off-Sale Only	---	2,409	761,833	569,136	192,697	25.3%	157,308	35,389	1,387	---	36,776	4.8%	20,000
Madison	Off-Sale Only	---	1,518	487,176	355,267	131,909	27.1%	100,964	30,945	---	---	30,945	6.4%	20,000
Mahnomen	On- & Off-Sale	---	1,233	1,468,593	931,139	537,454	36.6%	529,481	7,973	40,753	---	48,726	3.3%	---
Maple Lake	Off-Sale Only	---	2,240	2,322,917	1,772,401	550,516	23.7%	483,454	67,062	14,424	201	81,285	3.5%	50,000
Mapleton	On- & Off-Sale	---	1,725	644,137	383,069	261,068	40.5%	255,964	5,104	68,238	---	73,342	11.4%	20,500
Marshall	Off-Sale Only	---	13,811	7,078,147	5,070,369	2,007,778	28.4%	1,054,632	953,146	(7,654)	56,078	889,414	12.6%	575,000
Mazeppa	On- & Off-Sale	---	894	661,451	368,159	293,292	44.3%	303,182	(9,890)	60,051	761	49,400	7.5%	(3,828)
Medford	On- & Off-Sale	---	1,383	386,007	192,950	193,057	50.0%	190,701	2,356	31,461	---	33,817	8.8%	---
Menahga	On- & Off-Sale	---	1,353	1,141,273	712,382	428,891	37.6%	321,013	107,878	2,946	---	110,824	9.7%	65,000
Mentor	On- & Off-Sale	---	104	531,643	247,701	283,942	53.4%	229,242	54,700	6,197	---	60,897	11.5%	42,000
Milaca	Off-Sale Only	---	3,063	2,946,734	2,235,019	711,715	24.2%	633,990	77,725	9,564	---	87,289	3.0%	225,000
Millerville	On- & Off-Sale	---	101	328,457	178,935	149,522	45.5%	136,952	12,570	1,287	---	13,857	4.2%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 5

Comparison of City Liquor Store Operations - 2022

						Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
Miltona	On- & Off-Sale	---	447	787,403	432,411	354,992	45.1%	294,048	60,944	---	---	60,944	7.7%	41,692
Montevideo	Off-Sale Only	---	5,513	2,690,596	1,984,398	706,198	26.2%	521,251	184,947	3,704	536	188,115	7.0%	205,000
Monticello	Off-Sale Only	---	15,087	7,174,059	5,256,029	1,918,030	26.7%	1,058,027	860,003	(82,243)	---	777,760	10.8%	---
Moose Lake	On- & Off-Sale	---	2,824	1,971,870	1,320,512	651,358	33.0%	461,954	189,404	---	---	189,404	9.6%	---
Mora	Off-Sale Only	---	3,729	4,414,982	3,300,852	1,114,130	25.2%	611,222	502,908	10,721	26,000	487,629	11.0%	301,000
Morris	Off-Sale Only	---	4,961	2,466,639	1,869,584	597,055	24.2%	414,049	183,006	16,793	---	199,799	8.1%	53,883
Mound	Off-Sale Only	---	9,284	3,820,758	2,721,381	1,099,377	28.8%	688,608	410,769	7,929	---	418,698	11.0%	250,000
Nevis	On- & Off-Sale	---	392	901,352	486,547	414,805	46.0%	340,702	74,103	29,170	---	103,273	11.5%	35,000
New York Mills	On- & Off-Sale	---	1,287	835,576	526,549	309,027	37.0%	268,753	40,274	9,528	---	49,802	6.0%	17,100
Nisswa	On- & Off-Sale	---	2,121	5,306,132	3,509,556	1,796,576	33.9%	1,432,918	363,658	3,134	20,945	345,847	6.5%	265,000
North Branch	Off-Sale Only	---	11,756	3,839,269	2,797,680	1,041,589	27.1%	947,054	94,535	21	---	94,556	2.5%	94,556
Northfield	Off-Sale Only	---	21,109	2,797,955	2,032,144	765,811	27.4%	672,620	93,191	(33,110)	---	60,081	2.1%	50,000
Northome	On- & Off-Sale	---	162	351,035	192,160	158,875	45.3%	156,135	2,740	9	---	2,749	0.8%	---
Ogema	On- & Off-Sale	[0]	207	438,496	204,687	233,809	53.3%	167,761	66,048	3,641	---	69,689	15.9%	2,000
Ogilvie	On- & Off-Sale	---	390	866,522	491,109	375,413	43.3%	329,290	46,123	300	---	46,423	5.4%	7,000
Okabena	On- & Off-Sale	---	208	351,601	193,862	157,739	44.9%	155,180	2,559	---	---	2,559	0.7%	---
Olivia	Off-Sale Only	---	2,347	1,146,327	852,600	293,727	25.6%	289,507	4,220	(16,189)	---	(11,969)	-1.0%	---
Orr	On- & Off-Sale	---	209	694,825	393,987	300,838	43.3%	291,472	9,366	1,893	---	11,259	1.6%	21,801
Osakis	On- & Off-Sale	---	1,808	917,236	593,597	323,639	35.3%	359,741	(36,102)	57,530	---	21,428	2.3%	25,128
Palisade	On- & Off-Sale	---	166	187,404	104,421	82,983	44.3%	92,158	(9,175)	12,433	---	3,258	1.7%	---
Park Rapids	Off-Sale Only	---	4,298	3,489,995	2,593,495	896,500	25.7%	723,130	173,370	5,448	24,504	154,314	4.4%	---
Paynesville	Off-Sale Only	---	2,578	1,926,006	1,504,539	421,467	21.9%	401,446	20,021	(4,144)	1,350	14,527	0.8%	40,000
Pelican Rapids	Off-Sale Only	---	2,560	1,608,918	1,122,025	486,893	30.3%	320,865	166,028	3,053	---	169,081	10.5%	141,156
Perham	Off-Sale Only	---	3,605	4,410,460	3,138,058	1,272,402	28.8%	694,636	577,766	30,626	1,250	607,142	13.8%	314,050
Pine City	Off-Sale Only	---	3,458	2,388,535	1,703,813	684,722	28.7%	507,844	176,878	(303)	---	176,575	7.4%	185,000
Pipestone	Off-Sale Only	---	4,106	1,909,041	1,413,628	495,413	26.0%	324,195	171,218	1,642	---	172,860	9.1%	191,317
Princeton	Off-Sale Only	---	5,425	5,714,281	4,267,865	1,446,416	25.3%	622,521	823,895	(85,844)	---	738,051	12.9%	35,872

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 5

Comparison of City Liquor Store Operations - 2022

						Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
Proctor	Off-Sale Only	---	3,097	1,184,177	866,727	317,450	26.8%	290,677	26,773	4,419	3,687	27,505	2.3%	5,286
Randall	On- & Off-Sale	---	608	829,605	533,704	295,901	35.7%	247,282	48,619	42,009	---	90,628	10.9%	---
Ranier	On- & Off-Sale	---	565	507,648	198,156	309,492	61.0%	291,307	18,185	21,860	---	40,045	7.9%	20,000
Redwood Falls	Off-Sale Only	---	5,078	2,642,259	1,957,164	685,095	25.9%	568,699	116,396	(15,753)	3,662	96,981	3.7%	122,165
Remer	On- & Off-Sale	---	399	997,648	646,609	351,039	35.2%	427,135	(76,096)	528	---	(75,568)	-7.6%	6,000
Richfield	Off-Sale Only	---	36,543	14,200,736	10,659,157	3,541,579	24.9%	2,565,546	976,033	25,604	---	1,001,637	7.1%	834,530
Robbinsdale	Off-Sale Only	---	14,986	4,272,044	3,092,802	1,179,242	27.6%	1,103,586	75,656	(63,867)	63,884	(52,095)	-1.2%	200,000
Rogers	On- & Off-Sale	---	14,430	4,404,750	3,005,016	1,399,734	31.8%	1,092,473	307,261	39,565	71	346,755	7.9%	242,466
Roseau	Off-Sale Only	---	2,850	2,233,257	1,629,876	603,381	27.0%	320,218	283,163	804	---	283,967	12.7%	200,000
Russell	On- & Off-Sale	---	348	602,735	306,110	296,625	49.2%	293,143	3,482	9,001	---	12,483	2.1%	---
Sacred Heart	On- & Off-Sale	---	507	645,287	386,890	258,397	40.0%	309,630	(51,233)	24,238	408	(27,403)	-4.2%	---
Saint Anthony	Off-Sale Only	---	9,060	7,040,797	5,212,277	1,828,520	26.0%	1,351,817	476,703	(26,858)	---	449,845	6.4%	275,000
Saint Francis	Off-Sale Only	---	8,306	2,937,081	2,211,211	725,870	24.7%	726,267	(397)	(24,175)	---	(24,572)	-0.8%	60,000
Saint James	Off-Sale Only	---	4,788	1,139,775	758,538	381,237	33.4%	293,573	87,664	10,935	---	98,599	8.7%	189,042
Sauk Rapids	Off-Sale Only	---	13,559	3,711,456	2,827,475	883,981	23.8%	657,930	226,051	(115,440)	176,857	(66,246)	-1.8%	135,000
Savage	Off-Sale Only	---	33,137	6,948,251	5,012,280	1,935,971	27.9%	1,467,439	468,532	60,288	---	528,820	7.6%	240,000
Sebeka	On- & Off-Sale	---	739	527,219	296,514	230,705	43.8%	246,707	(16,002)	---	93	(16,095)	-3.1%	---
Sherburn	On- & Off-Sale	---	1,063	997,964	612,199	385,765	38.7%	419,770	(34,005)	40,216	---	6,211	0.6%	---
Silver Bay	On- & Off-Sale	---	1,895	1,226,314	696,978	529,336	43.2%	461,777	67,559	1,522	524	68,557	5.6%	---
Silver Lake	On- & Off-Sale	---	884	597,862	317,474	280,388	46.9%	300,704	(20,316)	25,010	1,837	2,857	0.5%	5,000
Spring Grove	On- & Off-Sale	---	1,265	430,611	303,504	127,107	29.5%	169,031	(41,924)	6,085	---	(35,839)	-8.3%	---
Stacy	On- & Off-Sale	---	1,726	3,868,751	2,693,392	1,175,359	30.4%	1,173,752	1,607	75,827	18,143	59,291	1.5%	175,000
Thief River Falls	Off-Sale Only	---	9,058	5,078,482	3,934,138	1,144,344	22.5%	883,735	260,609	462	---	261,071	5.1%	431,307
Tracy	Off-Sale Only	---	2,070	867,284	623,856	243,428	28.1%	186,403	57,025	6,383	---	63,408	7.3%	97,465
Twin Valley	On- & Off-Sale	---	727	679,290	380,227	299,063	44.0%	284,435	14,628	2,264	---	16,892	2.5%	2,500
Two Harbors	Off-Sale Only	---	3,698	3,002,214	2,201,838	800,376	26.7%	553,146	247,230	7,114	---	254,344	8.5%	259
Ulen	On- & Off-Sale	---	493	446,740	212,071	234,669	52.5%	233,361	1,308	133	---	1,441	0.3%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 5

Comparison of City Liquor Store Operations - 2022

						Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
Underwood	Off-Sale Only	---	359	791,412	607,654	183,758	23.2%	205,490	(21,732)	7,250	---	(14,482)	-1.8%	---
Vergas	Off-Sale Only	---	343	826,212	632,524	193,688	23.4%	201,634	(7,946)	510	---	(7,436)	-0.9%	25,000
Verndale	On- & Off-Sale	---	504	404,408	188,604	215,804	53.4%	157,724	58,080	84	---	58,164	14.4%	---
Wadena	Off-Sale Only	---	4,311	2,708,999	1,994,869	714,130	26.4%	361,663	352,467	(16,020)	---	336,447	12.4%	120,000
Walker	Off-Sale Only	---	975	1,098,935	799,961	298,974	27.2%	254,869	44,105	1,662	---	45,767	4.2%	71,912
Walnut Grove	On- & Off-Sale	---	744	523,868	266,568	257,300	49.1%	273,400	(16,100)	2,050	7,831	(21,881)	-4.2%	---
Warroad	Off-Sale Only	---	1,857	2,033,888	1,482,486	551,402	27.1%	351,058	200,344	---	---	200,344	9.9%	85,000
Waverly	On- & Off-Sale	---	2,116	1,076,795	732,551	344,244	32.0%	350,987	(6,743)	---	42	(6,785)	-0.6%	---
Wayzata	On- & Off-Sale	---	4,437	6,918,956	3,483,017	3,435,939	49.7%	3,340,417	95,522	29,837	89,370	35,989	0.5%	602,730
Wells	Off-Sale Only	---	2,373	1,145,758	865,730	280,028	24.4%	216,517	63,511	3,264	12,368	54,407	4.7%	---
West Concord	On- & Off-Sale	---	869	253,654	137,416	116,238	45.8%	140,184	(23,946)	50,348	---	26,402	10.4%	---
Windom	Off-Sale Only	---	4,966	2,412,277	1,790,193	622,084	25.8%	500,013	122,071	1,286	---	123,357	5.1%	100,000
Wolf Lake	On- & Off-Sale	---	70	263,494	131,091	132,403	50.2%	111,440	20,963	16,397	---	37,360	14.2%	20,600
Worthington	Off-Sale Only	---	14,052	5,221,873	3,874,946	1,346,927	25.8%	914,957	431,970	(14,323)	16,125	401,522	7.7%	275,000
Off-Sale Only			**909,819**	**$351,979,527**	**$257,737,484**	**$94,242,043**	**26.8%**	**$68,573,672**	**$25,668,371**	**($1,040,889)**	**$1,090,878**	**$23,536,604**	**6.7%**	**$20,033,889**
On- & Off-Sale			**85,902**	**$80,258,299**	**$48,453,655**	**$31,804,644**	**39.6%**	**$29,481,290**	**$2,323,354**	**$1,645,611**	**$193,937**	**$3,775,028**	**4.7%**	**$2,899,027**
All Stores			**995,721**	**$432,237,826**	**$306,191,139**	**$126,046,687**	**29.2%**	**$98,054,962**	**$27,991,725**	**$604,722**	**$1,284,815**	**$27,311,632**	**6.3%**	**$22,932,916**

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 6

Comparison of City Liquor Store Operations - 2022

Ranked by Gross Sales

							Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
1	Lakeville	Off-Sale Only	---	73,828	21,894,980	16,008,561	5,886,419	26.9%	4,533,001	1,353,418	(167,094)	69,799	1,116,525	5.1%	1,295,451
2	Edina	Off-Sale Only	---	54,048	14,427,474	10,010,262	4,417,212	30.6%	3,723,521	693,691	(69,456)	---	624,235	4.3%	995,327
3	Richfield	Off-Sale Only	---	36,543	14,200,736	10,659,157	3,541,579	24.9%	2,565,546	976,033	25,604	---	1,001,637	7.1%	834,530
4	Eden Prairie	Off-Sale Only	---	64,023	12,067,226	8,450,887	3,616,339	30.0%	2,591,577	1,024,762	(40,588)	45,050	939,124	7.8%	800,000
5	Apple Valley	Off-Sale Only	---	55,673	10,882,866	7,630,825	3,252,041	29.9%	2,320,251	931,790	(128,495)	12,938	790,357	7.3%	850,000
6	Columbia Heights	Off-Sale Only	---	21,592	9,338,869	7,025,816	2,313,053	24.8%	2,007,369	305,684	(17,066)	43,582	245,036	2.6%	378,850
7	Detroit Lakes	Off-Sale Only	---	10,119	8,916,748	6,498,162	2,418,586	27.1%	1,383,229	1,035,357	(55,038)	86,537	893,782	10.0%	609,795
8	Elk River	Off-Sale Only	---	27,001	8,531,414	6,191,510	2,339,904	27.4%	1,593,173	746,731	(489,851)	344	256,536	3.0%	1,000,000
9	Bemidji	Off-Sale Only	---	15,947	8,366,668	5,740,598	2,626,070	31.4%	1,875,021	751,049	15,804	118,297	648,556	7.8%	774,499
10	Alexandria	Off-Sale Only	---	15,263	7,973,675	6,034,273	1,939,402	24.3%	1,396,436	542,966	5,689	1,193	547,462	6.9%	286,074
11	Hutchinson	Off-Sale Only	---	15,037	7,316,938	5,656,007	1,660,931	22.7%	1,209,000	451,931	995	---	452,926	6.2%	550,000
12	Fergus Falls	Off-Sale Only	---	14,085	7,310,030	4,976,220	2,333,810	31.9%	1,319,097	1,014,713	(56,199)	---	958,514	13.1%	675,189
13	Monticello	Off-Sale Only	---	15,087	7,174,059	5,256,029	1,918,030	26.7%	1,058,027	860,003	(82,243)	---	777,760	10.8%	---
14	Marshall	Off-Sale Only	---	13,811	7,078,147	5,070,369	2,007,778	28.4%	1,054,632	953,146	(7,654)	56,078	889,414	12.6%	575,000
15	Buffalo	Off-Sale Only	---	16,884	7,071,931	5,158,699	1,913,232	27.1%	1,373,796	539,436	68,851	35	608,252	8.6%	475,000
16	Saint Anthony	Off-Sale Only	---	9,060	7,040,797	5,212,277	1,828,520	26.0%	1,351,817	476,703	(26,858)	---	449,845	6.4%	275,000
17	Savage	Off-Sale Only	---	33,137	6,948,251	5,012,280	1,935,971	27.9%	1,467,439	468,532	60,288	---	528,820	7.6%	240,000
18	Wayzata	On- & Off-Sale	---	4,437	6,918,956	3,483,017	3,435,939	49.7%	3,340,417	95,522	29,837	89,370	35,989	0.5%	602,730
19	Brooklyn Center	Off-Sale Only	---	33,938	6,909,980	5,108,499	1,801,481	26.1%	1,790,242	11,239	(3,716)	66,759	(59,236)	-0.9%	---
20	Cambridge	Off-Sale Only	---	10,541	6,650,664	4,953,842	1,696,822	25.5%	972,650	724,172	(5,586)	---	718,586	10.8%	725,000
21	Fridley	Off-Sale Only	---	29,962	6,521,618	4,713,669	1,807,949	27.7%	1,307,853	500,096	(31,031)	43,707	425,358	6.5%	338,500
22	Farmington	Off-Sale Only	---	23,719	6,387,611	4,728,067	1,659,544	26.0%	1,212,002	447,542	(38,575)	37,334	371,633	5.8%	142,966
23	Princeton	Off-Sale Only	---	5,425	5,714,281	4,267,865	1,446,416	25.3%	622,521	823,895	(85,844)	---	738,051	12.9%	35,872
24	Big Lake	Off-Sale Only	---	12,492	5,623,585	4,092,018	1,531,567	27.2%	915,941	615,626	32,633	6,200	642,059	11.4%	450,000
25	Nisswa	On- & Off-Sale	---	2,121	5,306,132	3,509,556	1,796,576	33.9%	1,432,918	363,658	3,134	20,945	345,847	6.5%	265,000
26	Isanti	Off-Sale Only	---	7,218	5,226,928	3,737,028	1,489,900	28.5%	748,878	741,022	(927)	57,639	682,456	13.1%	350,000
27	Worthington	Off-Sale Only	---	14,052	5,221,873	3,874,946	1,346,927	25.8%	914,957	431,970	(14,323)	16,125	401,522	7.7%	275,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 6

Comparison of City Liquor Store Operations - 2022

Ranked by Gross Sales

							Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
28	Thief River Falls	Off-Sale Only	---	9,058	5,078,482	3,934,138	1,144,344	22.5%	883,735	260,609	462	---	261,071	5.1%	431,307
29	Fairmont	Off-Sale Only	---	10,549	4,539,324	3,245,750	1,293,574	28.5%	653,037	640,537	(89,199)	---	551,338	12.1%	376,550
30	Mora	Off-Sale Only	---	3,729	4,414,982	3,300,852	1,114,130	25.2%	611,222	502,908	10,721	26,000	487,629	11.0%	301,000
31	Perham	Off-Sale Only	---	3,605	4,410,460	3,138,058	1,272,402	28.8%	694,636	577,766	30,626	1,250	607,142	13.8%	314,050
32	Rogers	On- & Off-Sale	---	14,430	4,404,750	3,005,016	1,399,734	31.8%	1,092,473	307,261	39,565	71	346,755	7.9%	242,466
33	Robbinsdale	Off-Sale Only	---	14,986	4,272,044	3,092,802	1,179,242	27.6%	1,103,586	75,656	(63,867)	63,884	(52,095)	-1.2%	200,000
34	Stacy	On- & Off-Sale	---	1,726	3,868,751	2,693,392	1,175,359	30.4%	1,173,752	1,607	75,827	18,143	59,291	1.5%	175,000
35	North Branch	Off-Sale Only	---	11,756	3,839,269	2,797,680	1,041,589	27.1%	947,054	94,535	21	---	94,556	2.5%	94,556
36	Mound	Off-Sale Only	---	9,284	3,820,758	2,721,381	1,099,377	28.8%	688,608	410,769	7,929	---	418,698	11.0%	250,000
37	Delano	Off-Sale Only	---	7,023	3,802,905	2,731,221	1,071,684	28.2%	770,979	300,705	(13,162)	7,670	279,873	7.4%	674,009
38	Sauk Rapids	Off-Sale Only	---	13,559	3,711,456	2,827,475	883,981	23.8%	657,930	226,051	(115,440)	176,857	(66,246)	-1.8%	135,000
39	Lexington	Off-Sale Only	---	2,738	3,543,896	2,609,098	934,798	26.4%	717,632	217,166	3,091	---	220,257	6.2%	275,000
40	Anoka	Off-Sale Only	---	18,127	3,531,627	2,624,248	907,379	25.7%	1,097,899	(190,520)	7,665	---	(182,855)	-5.2%	240,000
41	Park Rapids	Off-Sale Only	---	4,298	3,489,995	2,593,495	896,500	25.7%	723,130	173,370	5,448	24,504	154,314	4.4%	---
42	Hinckley	On- & Off-Sale	---	1,964	3,248,105	2,270,584	977,521	30.1%	726,557	250,964	(3,925)	1,581	245,458	7.6%	280,000
43	Litchfield	Off-Sale Only	---	6,718	3,159,403	2,368,396	791,007	25.0%	444,956	346,051	3,674	---	349,725	11.1%	354,412
44	Lindstrom	On- & Off-Sale	---	5,019	3,012,702	2,128,290	884,412	29.4%	879,353	5,059	57,061	---	62,120	2.1%	191,330
45	Two Harbors	Off-Sale Only	---	3,698	3,002,214	2,201,838	800,376	26.7%	553,146	247,230	7,114	---	254,344	8.5%	259
46	Milaca	Off-Sale Only	---	3,063	2,946,734	2,235,019	711,715	24.2%	633,990	77,725	9,564	---	87,289	3.0%	225,000
47	Saint Francis	Off-Sale Only	---	8,306	2,937,081	2,211,211	725,870	24.7%	726,267	(397)	(24,175)	---	(24,572)	-0.8%	60,000
48	Northfield	Off-Sale Only	---	21,109	2,797,955	2,032,144	765,811	27.4%	672,620	93,191	(33,110)	---	60,081	2.1%	50,000
49	Wadena	Off-Sale Only	---	4,311	2,708,999	1,994,869	714,130	26.4%	361,663	352,467	(16,020)	---	336,447	12.4%	120,000
50	Montevideo	Off-Sale Only	---	5,513	2,690,596	1,984,398	706,198	26.2%	521,251	184,947	3,704	536	188,115	7.0%	205,000
51	Redwood Falls	Off-Sale Only	---	5,078	2,642,259	1,957,164	685,095	25.9%	568,699	116,396	(15,753)	3,662	96,981	3.7%	122,165
52	Morris	Off-Sale Only	---	4,961	2,466,639	1,869,584	597,055	24.2%	414,049	183,006	16,793	---	199,799	8.1%	53,883
53	Glencoe	Off-Sale Only	---	5,832	2,459,578	1,822,104	637,474	25.9%	385,348	252,126	206	12,459	239,873	9.8%	220,000
54	Windom	Off-Sale Only	---	4,966	2,412,277	1,790,193	622,084	25.8%	500,013	122,071	1,286	---	123,357	5.1%	100,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 6

Comparison of City Liquor Store Operations - 2022

Ranked by Gross Sales

Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Gross Profit Amount ($)	Gross Profit Percent of Sales	Operating Expenses ($)	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
55	Pine City	Off-Sale Only	---	3,458	2,388,535	1,703,813	684,722	28.7%	507,844	176,878	(303)	---	176,575	7.4%	185,000
56	Grand Marais	Off-Sale Only	---	1,344	2,355,091	1,658,128	696,963	29.6%	466,149	230,814	5,829	---	236,643	10.0%	200,004
57	Maple Lake	Off-Sale Only	---	2,240	2,322,917	1,772,401	550,516	23.7%	483,454	67,062	14,424	201	81,285	3.5%	50,000
58	Longville	On- & Off-Sale	---	152	2,245,943	1,356,242	889,701	39.6%	591,792	297,909	237	---	298,146	13.3%	---
59	Roseau	Off-Sale Only	---	2,850	2,233,257	1,629,876	603,381	27.0%	320,218	283,163	804	---	283,967	12.7%	200,000
60	Battle Lake	Off-Sale Only	---	857	2,037,629	1,493,718	543,911	26.7%	393,263	150,648	2,791	11,690	141,749	7.0%	55,000
61	Warroad	Off-Sale Only	---	1,857	2,033,888	1,482,486	551,402	27.1%	351,058	200,344	---	---	200,344	9.9%	85,000
62	Long Prairie	Off-Sale Only	---	3,727	2,033,804	1,551,097	482,707	23.7%	302,395	180,312	3,894	---	184,206	9.1%	114,000
63	Moose Lake	On- & Off-Sale	---	2,824	1,971,870	1,320,512	651,358	33.0%	461,954	189,404	---	---	189,404	9.6%	---
64	Baudette	On- & Off-Sale	---	976	1,966,633	1,198,987	767,646	39.0%	498,206	269,440	12,106	---	281,546	14.3%	170,000
65	Lonsdale	Off-Sale Only	---	4,933	1,947,646	1,520,588	427,058	21.9%	292,906	134,152	940	---	135,092	6.9%	38,463
66	Paynesville	Off-Sale Only	---	2,578	1,926,006	1,504,539	421,467	21.9%	401,446	20,021	(4,144)	1,350	14,527	0.8%	40,000
67	Pipestone	Off-Sale Only	---	4,106	1,909,041	1,413,628	495,413	26.0%	324,195	171,218	1,642	---	172,860	9.1%	191,317
68	Blue Earth	Off-Sale Only	---	3,130	1,834,369	1,373,524	460,845	25.1%	413,813	47,032	10,592	---	57,624	3.1%	100,000
69	Braham	Off-Sale Only	---	1,784	1,833,303	1,384,437	448,866	24.5%	455,491	(6,625)	17,384	---	10,759	0.6%	60,000
70	Luverne	Off-Sale Only	---	5,033	1,823,362	1,390,434	432,928	23.7%	431,472	1,456	(24,194)	---	(22,738)	-1.2%	45,000
71	Glenwood	Off-Sale Only	---	2,705	1,764,924	1,303,924	461,000	26.1%	284,699	176,301	5,288	---	181,589	10.3%	60,000
72	Bagley	Off-Sale Only	---	1,299	1,761,193	1,314,532	446,661	25.4%	338,529	108,132	816	18,459	90,489	5.1%	---
73	Hackensack	On- & Off-Sale	---	300	1,758,383	1,232,878	525,505	29.9%	515,445	10,060	10,905	1,368	19,597	1.1%	---
74	Kasson	Off-Sale Only	---	7,115	1,684,032	1,319,660	364,372	21.6%	281,611	82,761	---	8,035	74,726	4.4%	16,000
75	Blackduck	On- & Off-Sale	---	844	1,638,505	951,968	686,537	41.9%	789,017	(102,480)	17,398	11,337	(96,419)	-5.9%	27,500
76	Jackson	Off-Sale Only	---	3,360	1,619,316	1,177,854	441,462	27.3%	335,176	106,286	2,647	17,727	91,206	5.6%	56,000
77	Pelican Rapids	Off-Sale Only	---	2,560	1,608,918	1,122,025	486,893	30.3%	320,865	166,028	3,053	---	169,081	10.5%	141,156
78	Cook	Off-Sale Only	---	537	1,564,491	1,164,197	400,294	25.6%	304,513	95,781	1,706	---	97,487	6.2%	---
79	Aitkin	Off-Sale Only	---	2,266	1,538,130	1,203,859	334,271	21.7%	309,466	24,805	25,086	---	49,891	3.2%	78,000
80	Hawley	Off-Sale Only	---	2,353	1,514,063	1,104,033	410,030	27.1%	355,233	54,797	165	5,542	49,420	3.3%	25,000
81	Mahnomen	On- & Off-Sale	---	1,233	1,468,593	931,139	537,454	36.6%	529,481	7,973	40,753	---	48,726	3.3%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 6

Comparison of City Liquor Store Operations - 2022

Ranked by Gross Sales

							Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
82	Granite Falls	Off-Sale Only	---	2,673	1,452,238	1,097,138	355,100	24.5%	243,288	111,812	5,631	---	117,443	8.1%	100,000
83	Benson	On- & Off-Sale	---	3,562	1,412,232	960,634	451,598	32.0%	423,577	28,021	45,585	---	73,606	5.2%	80,000
84	Dassel	Off-Sale Only	---	1,505	1,330,688	1,056,973	273,715	20.6%	259,390	14,325	17,566	22,548	9,343	0.7%	---
85	Silver Bay	On- & Off-Sale	---	1,895	1,226,314	696,978	529,336	43.2%	461,777	67,559	1,522	524	68,557	5.6%	---
86	Proctor	Off-Sale Only	---	3,097	1,184,177	866,727	317,450	26.8%	290,677	26,773	4,419	3,687	27,505	2.3%	5,286
87	Le Center	On- & Off-Sale	---	2,544	1,162,232	764,833	397,399	34.2%	374,706	22,693	74,240	---	96,933	8.3%	60,000
88	Olivia	Off-Sale Only	---	2,347	1,146,327	852,600	293,727	25.6%	289,507	4,220	(16,189)	---	(11,969)	-1.0%	---
89	Wells	Off-Sale Only	---	2,373	1,145,758	865,730	280,028	24.4%	216,517	63,511	3,264	12,368	54,407	4.7%	---
90	Menahga	On- & Off-Sale	---	1,353	1,141,273	712,382	428,891	37.6%	321,013	107,878	2,946	---	110,824	9.7%	65,000
91	Saint James	Off-Sale Only	---	4,788	1,139,775	758,538	381,237	33.4%	293,573	87,664	10,935	---	98,599	8.7%	189,042
92	Barnesville	Off-Sale Only	---	2,858	1,103,319	804,116	299,203	27.1%	255,205	43,998	4,615	10,266	38,347	3.5%	---
93	Walker	Off-Sale Only	---	975	1,098,935	799,961	298,974	27.2%	254,869	44,105	1,662	---	45,767	4.2%	71,912
94	Waverly	On- & Off-Sale	---	2,116	1,076,795	732,551	344,244	32.0%	350,987	(6,743)	---	42	(6,785)	-0.6%	---
95	Howard Lake	On- & Off-Sale	---	2,173	1,007,849	755,607	252,242	25.0%	235,983	16,259	613	741	16,131	1.6%	---
96	Caledonia	Off-Sale Only	---	2,895	1,005,971	767,486	238,485	23.7%	210,318	28,167	638	---	28,805	2.9%	25,000
97	Sherburn	On- & Off-Sale	---	1,063	997,964	612,199	385,765	38.7%	419,770	(34,005)	40,216	---	6,211	0.6%	---
98	Remer	On- & Off-Sale	---	399	997,648	646,609	351,039	35.2%	427,135	(76,096)	528	---	(75,568)	-7.6%	6,000
99	Finlayson	On- & Off-Sale	---	310	994,714	464,504	530,210	53.3%	417,385	112,825	123	4,819	108,129	10.9%	---
100	Isle	On- & Off-Sale	---	827	994,514	748,442	246,072	24.7%	251,097	(5,025)	19,575	---	14,550	1.5%	12,000
101	Lake Park	On- & Off-Sale	---	716	950,498	510,442	440,056	46.3%	614,437	(174,381)	323	---	(174,058)	-18.3%	---
102	Osakis	On- & Off-Sale	---	1,808	917,236	593,597	323,639	35.3%	359,741	(36,102)	57,530	---	21,428	2.3%	25,128
103	Nevis	On- & Off-Sale	---	392	901,352	486,547	414,805	46.0%	340,702	74,103	29,170	---	103,273	11.5%	35,000
104	Fifty Lakes	On- & Off-Sale	---	460	874,663	424,887	449,776	51.4%	377,881	71,895	---	---	71,895	8.2%	4,723
105	Tracy	Off-Sale Only	---	2,070	867,284	623,856	243,428	28.1%	186,403	57,025	6,383	---	63,408	7.3%	97,465
106	Ogilvie	On- & Off-Sale	---	390	866,522	491,109	375,413	43.3%	329,290	46,123	300	---	46,423	5.4%	7,000
107	New York Mills	On- & Off-Sale	---	1,287	835,576	526,549	309,027	37.0%	268,753	40,274	9,528	---	49,802	6.0%	17,100
108	Randall	On- & Off-Sale	---	608	829,605	533,704	295,901	35.7%	247,282	48,619	42,009	---	90,628	10.9%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 6

Comparison of City Liquor Store Operations - 2022

Ranked by Gross Sales

Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Gross Profit Amount ($)	Gross Profit Percent of Sales	Operating Expenses ($)	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
109	Vergas	Off-Sale Only	---	343	826,212	632,524	193,688	23.4%	201,634	(7,946)	510	---	(7,436)	-0.9%	25,000
110	Kenyon	On- & Off-Sale	---	1,960	816,360	548,899	267,461	32.8%	249,722	17,739	54,642	---	72,381	8.9%	40,000
111	Barnum	On- & Off-Sale	---	631	803,613	415,248	388,365	48.3%	315,818	72,547	37,823	---	110,370	13.7%	---
112	Darwin	Off-Sale Only	---	350	795,132	631,496	163,636	20.6%	127,416	36,220	208,129	---	244,349	30.7%	---
113	Underwood	Off-Sale Only	---	359	791,412	607,654	183,758	23.2%	205,490	(21,732)	7,250	---	(14,482)	-1.8%	---
114	Miltona	On- & Off-Sale	---	447	787,403	432,411	354,992	45.1%	294,048	60,944	---	---	60,944	7.7%	41,692
115	Madelia	Off-Sale Only	---	2,409	761,833	569,136	192,697	25.3%	157,308	35,389	1,387	---	36,776	4.8%	20,000
116	Kelliher	On- & Off-Sale	---	265	743,422	436,292	307,130	41.3%	250,546	56,584	3,058	---	59,642	8.0%	20,000
117	Orr	On- & Off-Sale	---	209	694,825	393,987	300,838	43.3%	291,472	9,366	1,893	---	11,259	1.6%	21,801
118	Twin Valley	On- & Off-Sale	---	727	679,290	380,227	299,063	44.0%	284,435	14,628	2,264	---	16,892	2.5%	2,500
119	Mazeppa	On- & Off-Sale	---	894	661,451	368,159	293,292	44.3%	303,182	(9,890)	60,051	761	49,400	7.5%	(3,828)
120	Sacred Heart	On- & Off-Sale	---	507	645,287	386,890	258,397	40.0%	309,630	(51,233)	24,238	408	(27,403)	-4.2%	---
121	Mapleton	On- & Off-Sale	---	1,725	644,137	383,069	261,068	40.5%	255,964	5,104	68,238	---	73,342	11.4%	20,500
122	Beaver Bay	On- & Off-Sale	---	126	632,537	427,677	204,860	32.4%	252,109	(47,249)	36,651	---	(10,598)	-1.7%	---
123	Lakefield	Off-Sale Only	---	1,762	627,574	476,124	151,450	24.1%	134,084	17,366	2,881	---	20,247	3.2%	6,000
124	Brandon	On- & Off-Sale	---	510	627,320	354,457	272,863	43.5%	241,993	30,870	3,623	---	34,493	5.5%	11,776
125	Ada	Off-Sale Only	---	1,773	623,943	453,503	170,440	27.3%	171,948	(1,508)	---	---	(1,508)	-0.2%	---
126	Appleton	Off-Sale Only	---	1,425	618,969	443,255	175,714	28.4%	156,476	19,238	---	66	19,172	3.1%	---
127	Frazee	On- & Off-Sale	---	1,338	609,746	383,088	226,658	37.2%	218,303	8,355	56,866	---	65,221	10.7%	---
128	Boyd	On- & Off-Sale	---	141	606,074	352,438	253,636	41.8%	263,949	(10,313)	38,209	14,998	12,898	2.1%	---
129	Russell	On- & Off-Sale	---	348	602,735	306,110	296,625	49.2%	293,143	3,482	9,001	---	12,483	2.1%	---
130	Silver Lake	On- & Off-Sale	---	884	597,862	317,474	280,388	46.9%	300,704	(20,316)	25,010	1,837	2,857	0.5%	5,000
131	Browerville	On- & Off-Sale	---	834	582,081	355,874	226,207	38.9%	253,174	(26,967)	41,144	182	13,995	2.4%	10,800
132	Dawson	Off-Sale Only	---	1,464	537,427	378,763	158,664	29.5%	134,870	23,794	(980)	---	22,814	4.2%	---
133	Mentor	On- & Off-Sale	---	104	531,643	247,701	283,942	53.4%	229,242	54,700	6,197	---	60,897	11.5%	42,000
134	Callaway	On- & Off-Sale	---	197	530,140	280,968	249,172	47.0%	161,611	87,561	1,016	---	88,577	16.7%	9,000
135	Sebeka	On- & Off-Sale	---	739	527,219	296,514	230,705	43.8%	246,707	(16,002)	---	93	(16,095)	-3.1%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 6

Comparison of City Liquor Store Operations - 2022

Ranked by Gross Sales

							Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
136	Hitterdal	On- & Off-Sale	---	217	526,484	301,731	224,753	42.7%	203,182	21,571	---	---	21,571	4.1%	(246)
137	Walnut Grove	On- & Off-Sale	---	744	523,868	266,568	257,300	49.1%	273,400	(16,100)	2,050	7,831	(21,881)	-4.2%	---
138	Ranier	On- & Off-Sale	---	565	507,648	198,156	309,492	61.0%	291,307	18,185	21,860	---	40,045	7.9%	20,000
139	Buffalo Lake	On- & Off-Sale	---	660	503,225	282,946	220,279	43.8%	262,489	(42,210)	40,695	---	(1,515)	-0.3%	---
140	Clarissa	On- & Off-Sale	---	662	500,782	282,962	217,820	43.5%	216,462	1,358	4,484	10,134	(4,292)	-0.9%	---
141	Akeley	On- & Off-Sale	---	426	488,961	226,495	262,466	53.7%	241,411	21,055	1,888	---	22,943	4.7%	13,532
142	Madison	Off-Sale Only	---	1,518	487,176	355,267	131,909	27.1%	100,964	30,945	---	---	30,945	6.4%	20,000
143	Gilman	On- & Off-Sale	---	219	474,806	207,957	266,849	56.2%	260,793	6,056	49,982	---	56,038	11.8%	---
144	Elizabeth	Off-Sale Only	---	166	474,542	381,068	93,474	19.7%	118,736	(25,262)	---	---	(25,262)	-5.3%	---
145	Foreston	On- & Off-Sale	---	571	462,369	199,905	262,464	56.8%	242,079	20,385	22,403	---	42,788	9.3%	28,612
146	Ulen	On- & Off-Sale	---	493	446,740	212,071	234,669	52.5%	233,361	1,308	133	---	1,441	0.3%	---
147	Goodridge	On- & Off-Sale	---	102	445,244	230,456	214,788	48.2%	183,141	31,647	---	---	31,647	7.1%	20,000
148	Ogema	On- & Off-Sale	[0]	207	438,496	204,687	233,809	53.3%	167,761	66,048	3,641	---	69,689	15.9%	2,000
149	De Graff	On- & Off-Sale	---	111	434,682	245,005	189,677	43.6%	282,448	(92,771)	54,714	678	(38,735)	-8.9%	(33,424)
150	Spring Grove	On- & Off-Sale	---	1,265	430,611	303,504	127,107	29.5%	169,031	(41,924)	6,085	---	(35,839)	-8.3%	---
151	Cromwell	On- & Off-Sale	---	253	421,061	170,375	250,686	59.5%	233,476	17,210	16,692	---	33,902	8.1%	40,961
152	Verndale	On- & Off-Sale	---	504	404,408	188,604	215,804	53.4%	157,724	58,080	84	---	58,164	14.4%	---
153	Balaton	On- & Off-Sale	---	593	387,149	257,444	129,705	33.5%	136,331	(6,626)	5,240	---	(1,386)	-0.4%	1
154	Heron Lake	On- & Off-Sale	---	608	386,150	205,543	180,607	46.8%	158,773	21,834	703	---	22,537	5.8%	---
155	Medford	On- & Off-Sale	---	1,383	386,007	192,950	193,057	50.0%	190,701	2,356	31,461	---	33,817	8.8%	---
156	Big Falls	On- & Off-Sale	---	192	377,299	171,607	205,692	54.5%	198,254	7,438	668	---	8,106	2.1%	5,000
157	Holdingford	On- & Off-Sale	---	749	371,965	195,376	176,589	47.5%	183,864	(7,275)	6,747	---	(528)	-0.1%	---
158	Lancaster	On- & Off-Sale	---	386	359,627	171,517	188,110	52.3%	180,804	7,306	375	---	7,681	2.1%	30,000
159	Okabena	On- & Off-Sale	---	208	351,601	193,862	157,739	44.9%	155,180	2,559	---	---	2,559	0.7%	---
160	Northome	On- & Off-Sale	---	162	351,035	192,160	158,875	45.3%	156,135	2,740	9	---	2,749	0.8%	---
161	Hadley	On- & Off-Sale	---	56	346,001	129,933	216,068	62.4%	142,470	73,598	8,515	3,003	79,110	22.9%	76,836
162	Millerville	On- & Off-Sale	---	101	328,457	178,935	149,522	45.5%	136,952	12,570	1,287	---	13,857	4.2%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 6

Comparison of City Liquor Store Operations - 2022

Ranked by Gross Sales

							Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
163	Cleveland	On- & Off-Sale	---	801	293,732	178,510	115,222	39.2%	158,962	(43,740)	55,097	---	11,357	3.9%	---
164	Eagle Bend	On- & Off-Sale	---	542	276,382	147,623	128,759	46.6%	159,174	(30,415)	30,020	---	(395)	-0.1%	9,664
165	Wolf Lake	On- & Off-Sale	---	70	263,494	131,091	132,403	50.2%	111,440	20,963	16,397	---	37,360	14.2%	20,600
166	West Concord	On- & Off-Sale	---	869	253,654	137,416	116,238	45.8%	140,184	(23,946)	50,348	---	26,402	10.4%	---
167	Dalton	Off-Sale Only	---	209	248,296	194,674	53,622	21.6%	69,413	(15,791)	112	---	(15,679)	-6.3%	---
168	Avoca	On- & Off-Sale	---	114	240,048	100,425	139,623	58.2%	124,979	14,644	22,845	3,485	34,004	14.2%	27,668
169	Lewisville	On- & Off-Sale	---	212	235,685	140,697	94,988	40.3%	115,100	(20,112)	42,365	---	22,253	9.4%	---
170	Hanley Falls	On- & Off-Sale	---	233	220,429	118,115	102,314	46.4%	117,206	(14,892)	9,487	1,172	(6,577)	-3.0%	---
171	Kiester	Off-Sale Only	---	479	217,273	159,382	57,891	26.6%	58,759	(868)	4,394	500	3,026	1.4%	---
172	Littlefork	On- & Off-Sale	[16][21]	562	214,587	117,026	97,561	45.5%	67,613	29,948	46,697	---	76,645	35.7%	145,965
173	Palisade	On- & Off-Sale	---	166	187,404	104,421	82,983	44.3%	92,158	(9,175)	12,433	---	3,258	1.7%	---
174	Butterfield	Off-Sale Only	---	601	184,824	148,923	35,901	19.4%	87,829	(51,928)	1,186	---	(50,742)	-27.5%	---
175	Elmore	Off-Sale Only	---	536	100,245	72,853	27,392	27.3%	35,776	(8,384)	---	---	(8,384)	-8.4%	---
176	Hanska	On- & Off-Sale	---	381	98,753	56,944	41,809	42.3%	68,312	(26,503)	3,176	414	(23,741)	-24.0%	4,640
	Off-Sale Only			**909,819**	**$351,979,527**	**$257,737,484**	**$94,242,043**	**26.8%**	**$68,573,672**	**$25,668,371**	**($1,040,889)**	**$1,090,878**	**$23,536,604**	**6.7%**	**$20,033,889**
	On- & Off-Sale			**85,902**	**$80,258,299**	**$48,453,655**	**$31,804,644**	**39.6%**	**$29,481,290**	**$2,323,354**	**$1,645,611**	**$193,937**	**$3,775,028**	**4.7%**	**$2,899,027**
	All Stores			**995,721**	**$432,237,826**	**$306,191,139**	**$126,046,687**	**29.2%**	**$98,054,962**	**$27,991,725**	**$604,722**	**$1,284,815**	**$27,311,632**	**6.3%**	**$22,932,916**

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 7

Comparison of City Liquor Store Operations - 2022

Ranked by Net Profit/(Loss) as a Percent of Sales

							Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
1	Littlefork	On- & Off-Sale	[16][21]	562	214,587	117,026	97,561	45.5%	67,613	29,948	46,697	---	76,645	35.7%	145,965
2	Darwin	Off-Sale Only	---	350	795,132	631,496	163,636	20.6%	127,416	36,220	208,129	---	244,349	30.7%	---
3	Hadley	On- & Off-Sale	---	56	346,001	129,933	216,068	62.4%	142,470	73,598	8,515	3,003	79,110	22.9%	76,836
4	Callaway	On- & Off-Sale	---	197	530,140	280,968	249,172	47.0%	161,611	87,561	1,016	---	88,577	16.7%	9,000
5	Ogema	On- & Off-Sale	[0]	207	438,496	204,687	233,809	53.3%	167,761	66,048	3,641	---	69,689	15.9%	2,000
6	Verndale	On- & Off-Sale	---	504	404,408	188,604	215,804	53.4%	157,724	58,080	84	---	58,164	14.4%	---
7	Baudette	On- & Off-Sale	---	976	1,966,633	1,198,987	767,646	39.0%	498,206	269,440	12,106	---	281,546	14.3%	170,000
8	Wolf Lake	On- & Off-Sale	---	70	263,494	131,091	132,403	50.2%	111,440	20,963	16,397	---	37,360	14.2%	20,600
9	Avoca	On- & Off-Sale	---	114	240,048	100,425	139,623	58.2%	124,979	14,644	22,845	3,485	34,004	14.2%	27,668
10	Perham	Off-Sale Only	---	3,605	4,410,460	3,138,058	1,272,402	28.8%	694,636	577,766	30,626	1,250	607,142	13.8%	314,050
11	Barnum	On- & Off-Sale	---	631	803,613	415,248	388,365	48.3%	315,818	72,547	37,823	---	110,370	13.7%	---
12	Longville	On- & Off-Sale	---	152	2,245,943	1,356,242	889,701	39.6%	591,792	297,909	237	---	298,146	13.3%	---
13	Fergus Falls	Off-Sale Only	---	14,085	7,310,030	4,976,220	2,333,810	31.9%	1,319,097	1,014,713	(56,199)	---	958,514	13.1%	675,189
14	Isanti	Off-Sale Only	---	7,218	5,226,928	3,737,028	1,489,900	28.5%	748,878	741,022	(927)	57,639	682,456	13.1%	350,000
15	Princeton	Off-Sale Only	---	5,425	5,714,281	4,267,865	1,446,416	25.3%	622,521	823,895	(85,844)	---	738,051	12.9%	35,872
16	Roseau	Off-Sale Only	---	2,850	2,233,257	1,629,876	603,381	27.0%	320,218	283,163	804	---	283,967	12.7%	200,000
17	Marshall	Off-Sale Only	---	13,811	7,078,147	5,070,369	2,007,778	28.4%	1,054,632	953,146	(7,654)	56,078	889,414	12.6%	575,000
18	Wadena	Off-Sale Only	---	4,311	2,708,999	1,994,869	714,130	26.4%	361,663	352,467	(16,020)	---	336,447	12.4%	120,000
19	Fairmont	Off-Sale Only	---	10,549	4,539,324	3,245,750	1,293,574	28.5%	653,037	640,537	(89,199)	---	551,338	12.1%	376,550
20	Gilman	On- & Off-Sale	---	219	474,806	207,957	266,849	56.2%	260,793	6,056	49,982	---	56,038	11.8%	---
21	Nevis	On- & Off-Sale	---	392	901,352	486,547	414,805	46.0%	340,702	74,103	29,170	---	103,273	11.5%	35,000
22	Mentor	On- & Off-Sale	---	104	531,643	247,701	283,942	53.4%	229,242	54,700	6,197	---	60,897	11.5%	42,000
23	Big Lake	Off-Sale Only	---	12,492	5,623,585	4,092,018	1,531,567	27.2%	915,941	615,626	32,633	6,200	642,059	11.4%	450,000
24	Mapleton	On- & Off-Sale	---	1,725	644,137	383,069	261,068	40.5%	255,964	5,104	68,238	---	73,342	11.4%	20,500
25	Litchfield	Off-Sale Only	---	6,718	3,159,403	2,368,396	791,007	25.0%	444,956	346,051	3,674	---	349,725	11.1%	354,412
26	Mora	Off-Sale Only	---	3,729	4,414,982	3,300,852	1,114,130	25.2%	611,222	502,908	10,721	26,000	487,629	11.0%	301,000
27	Mound	Off-Sale Only	---	9,284	3,820,758	2,721,381	1,099,377	28.8%	688,608	410,769	7,929	---	418,698	11.0%	250,000
28	Randall	On- & Off-Sale	---	608	829,605	533,704	295,901	35.7%	247,282	48,619	42,009	---	90,628	10.9%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 7

Comparison of City Liquor Store Operations - 2022

Ranked by Net Profit/(Loss) as a Percent of Sales

							Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
29	Finlayson	On- & Off-Sale	---	310	994,714	464,504	530,210	53.3%	417,385	112,825	123	4,819	108,129	10.9%	---
30	Monticello	Off-Sale Only	---	15,087	7,174,059	5,256,029	1,918,030	26.7%	1,058,027	860,003	(82,243)	---	777,760	10.8%	---
31	Cambridge	Off-Sale Only	---	10,541	6,650,664	4,953,842	1,696,822	25.5%	972,650	724,172	(5,586)	---	718,586	10.8%	725,000
32	Frazee	On- & Off-Sale	---	1,338	609,746	383,088	226,658	37.2%	218,303	8,355	56,866	---	65,221	10.7%	---
33	Pelican Rapids	Off-Sale Only	---	2,560	1,608,918	1,122,025	486,893	30.3%	320,865	166,028	3,053	---	169,081	10.5%	141,156
34	West Concord	On- & Off-Sale	---	869	253,654	137,416	116,238	45.8%	140,184	(23,946)	50,348	---	26,402	10.4%	---
35	Glenwood	Off-Sale Only	---	2,705	1,764,924	1,303,924	461,000	26.1%	284,699	176,301	5,288	---	181,589	10.3%	60,000
36	Grand Marais	Off-Sale Only	---	1,344	2,355,091	1,658,128	696,963	29.6%	466,149	230,814	5,829	---	236,643	10.0%	200,004
37	Detroit Lakes	Off-Sale Only	---	10,119	8,916,748	6,498,162	2,418,586	27.1%	1,383,229	1,035,357	(55,038)	86,537	893,782	10.0%	609,795
38	Warroad	Off-Sale Only	---	1,857	2,033,888	1,482,486	551,402	27.1%	351,058	200,344	---	---	200,344	9.9%	85,000
39	Glencoe	Off-Sale Only	---	5,832	2,459,578	1,822,104	637,474	25.9%	385,348	252,126	206	12,459	239,873	9.8%	220,000
40	Menahga	On- & Off-Sale	---	1,353	1,141,273	712,382	428,891	37.6%	321,013	107,878	2,946	---	110,824	9.7%	65,000
41	Moose Lake	On- & Off-Sale	---	2,824	1,971,870	1,320,512	651,358	33.0%	461,954	189,404	---	---	189,404	9.6%	---
42	Lewisville	On- & Off-Sale	---	212	235,685	140,697	94,988	40.3%	115,100	(20,112)	42,365	---	22,253	9.4%	---
43	Foreston	On- & Off-Sale	---	571	462,369	199,905	262,464	56.8%	242,079	20,385	22,403	---	42,788	9.3%	28,612
44	Long Prairie	Off-Sale Only	---	3,727	2,033,804	1,551,097	482,707	23.7%	302,395	180,312	3,894	---	184,206	9.1%	114,000
45	Pipestone	Off-Sale Only	---	4,106	1,909,041	1,413,628	495,413	26.0%	324,195	171,218	1,642	---	172,860	9.1%	191,317
46	Kenyon	On- & Off-Sale	---	1,960	816,360	548,899	267,461	32.8%	249,722	17,739	54,642	---	72,381	8.9%	40,000
47	Medford	On- & Off-Sale	---	1,383	386,007	192,950	193,057	50.0%	190,701	2,356	31,461	---	33,817	8.8%	---
48	Saint James	Off-Sale Only	---	4,788	1,139,775	758,538	381,237	33.4%	293,573	87,664	10,935	---	98,599	8.7%	189,042
49	Buffalo	Off-Sale Only	---	16,884	7,071,931	5,158,699	1,913,232	27.1%	1,373,796	539,436	68,851	35	608,252	8.6%	475,000
50	Two Harbors	Off-Sale Only	---	3,698	3,002,214	2,201,838	800,376	26.7%	553,146	247,230	7,114	---	254,344	8.5%	259
51	Le Center	On- & Off-Sale	---	2,544	1,162,232	764,833	397,399	34.2%	374,706	22,693	74,240	---	96,933	8.3%	60,000
52	Fifty Lakes	On- & Off-Sale	---	460	874,663	424,887	449,776	51.4%	377,881	71,895	---	---	71,895	8.2%	4,723
53	Morris	Off-Sale Only	---	4,961	2,466,639	1,869,584	597,055	24.2%	414,049	183,006	16,793	---	199,799	8.1%	53,883
54	Granite Falls	Off-Sale Only	---	2,673	1,452,238	1,097,138	355,100	24.5%	243,288	111,812	5,631	---	117,443	8.1%	100,000
55	Cromwell	On- & Off-Sale	---	253	421,061	170,375	250,686	59.5%	233,476	17,210	16,692	---	33,902	8.1%	40,961
56	Kelliher	On- & Off-Sale	---	265	743,422	436,292	307,130	41.3%	250,546	56,584	3,058	---	59,642	8.0%	20,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 7

Comparison of City Liquor Store Operations - 2022

Ranked by Net Profit/(Loss) as a Percent of Sales

							Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
57	Ranier	On- & Off-Sale	---	565	507,648	198,156	309,492	61.0%	291,307	18,185	21,860	---	40,045	7.9%	20,000
58	Rogers	On- & Off-Sale	---	14,430	4,404,750	3,005,016	1,399,734	31.8%	1,092,473	307,261	39,565	71	346,755	7.9%	242,466
59	Eden Prairie	Off-Sale Only	---	64,023	12,067,226	8,450,887	3,616,339	30.0%	2,591,577	1,024,762	(40,588)	45,050	939,124	7.8%	800,000
60	Bemidji	Off-Sale Only	---	15,947	8,366,668	5,740,598	2,626,070	31.4%	1,875,021	751,049	15,804	118,297	648,556	7.8%	774,499
61	Miltona	On- & Off-Sale	---	447	787,403	432,411	354,992	45.1%	294,048	60,944	---	---	60,944	7.7%	41,692
62	Worthington	Off-Sale Only	---	14,052	5,221,873	3,874,946	1,346,927	25.8%	914,957	431,970	(14,323)	16,125	401,522	7.7%	275,000
63	Savage	Off-Sale Only	---	33,137	6,948,251	5,012,280	1,935,971	27.9%	1,467,439	468,532	60,288	---	528,820	7.6%	240,000
64	Hinckley	On- & Off-Sale	---	1,964	3,248,105	2,270,584	977,521	30.1%	726,557	250,964	(3,925)	1,581	245,458	7.6%	280,000
65	Mazeppa	On- & Off-Sale	---	894	661,451	368,159	293,292	44.3%	303,182	(9,890)	60,051	761	49,400	7.5%	(3,828)
66	Pine City	Off-Sale Only	---	3,458	2,388,535	1,703,813	684,722	28.7%	507,844	176,878	(303)	---	176,575	7.4%	185,000
67	Delano	Off-Sale Only	---	7,023	3,802,905	2,731,221	1,071,684	28.2%	770,979	300,705	(13,162)	7,670	279,873	7.4%	674,009
68	Tracy	Off-Sale Only	---	2,070	867,284	623,856	243,428	28.1%	186,403	57,025	6,383	---	63,408	7.3%	97,465
69	Apple Valley	Off-Sale Only	---	55,673	10,882,866	7,630,825	3,252,041	29.9%	2,320,251	931,790	(128,495)	12,938	790,357	7.3%	850,000
70	Goodridge	On- & Off-Sale	---	102	445,244	230,456	214,788	48.2%	183,141	31,647	---	---	31,647	7.1%	20,000
71	Richfield	Off-Sale Only	---	36,543	14,200,736	10,659,157	3,541,579	24.9%	2,565,546	976,033	25,604	---	1,001,637	7.1%	834,530
72	Montevideo	Off-Sale Only	---	5,513	2,690,596	1,984,398	706,198	26.2%	521,251	184,947	3,704	536	188,115	7.0%	205,000
73	Battle Lake	Off-Sale Only	---	857	2,037,629	1,493,718	543,911	26.7%	393,263	150,648	2,791	11,690	141,749	7.0%	55,000
74	Lonsdale	Off-Sale Only	---	4,933	1,947,646	1,520,588	427,058	21.9%	292,906	134,152	940	---	135,092	6.9%	38,463
75	Alexandria	Off-Sale Only	---	15,263	7,973,675	6,034,273	1,939,402	24.3%	1,396,436	542,966	5,689	1,193	547,462	6.9%	286,074
76	Fridley	Off-Sale Only	---	29,962	6,521,618	4,713,669	1,807,949	27.7%	1,307,853	500,096	(31,031)	43,707	425,358	6.5%	338,500
77	Nisswa	On- & Off-Sale	---	2,121	5,306,132	3,509,556	1,796,576	33.9%	1,432,918	363,658	3,134	20,945	345,847	6.5%	265,000
78	Saint Anthony	Off-Sale Only	---	9,060	7,040,797	5,212,277	1,828,520	26.0%	1,351,817	476,703	(26,858)	---	449,845	6.4%	275,000
79	Madison	Off-Sale Only	---	1,518	487,176	355,267	131,909	27.1%	100,964	30,945	---	---	30,945	6.4%	20,000
80	Cook	Off-Sale Only	---	537	1,564,491	1,164,197	400,294	25.6%	304,513	95,781	1,706	---	97,487	6.2%	---
81	Lexington	Off-Sale Only	---	2,738	3,543,896	2,609,098	934,798	26.4%	717,632	217,166	3,091	---	220,257	6.2%	275,000
82	Hutchinson	Off-Sale Only	---	15,037	7,316,938	5,656,007	1,660,931	22.7%	1,209,000	451,931	995	---	452,926	6.2%	550,000
83	New York Mills	On- & Off-Sale	---	1,287	835,576	526,549	309,027	37.0%	268,753	40,274	9,528	---	49,802	6.0%	17,100
84	Heron Lake	On- & Off-Sale	---	608	386,150	205,543	180,607	46.8%	158,773	21,834	703	---	22,537	5.8%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 7

Comparison of City Liquor Store Operations - 2022

Ranked by Net Profit/(Loss) as a Percent of Sales

Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Gross Profit Amount ($)	Gross Profit Percent of Sales	Operating Expenses ($)	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
85	Farmington	Off-Sale Only	---	23,719	6,387,611	4,728,067	1,659,544	26.0%	1,212,002	447,542	(38,575)	37,334	371,633	5.8%	142,966
86	Jackson	Off-Sale Only	---	3,360	1,619,316	1,177,854	441,462	27.3%	335,176	106,286	2,647	17,727	91,206	5.6%	56,000
87	Silver Bay	On- & Off-Sale	---	1,895	1,226,314	696,978	529,336	43.2%	461,777	67,559	1,522	524	68,557	5.6%	---
88	Brandon	On- & Off-Sale	---	510	627,320	354,457	272,863	43.5%	241,993	30,870	3,623	---	34,493	5.5%	11,776
89	Ogilvie	On- & Off-Sale	---	390	866,522	491,109	375,413	43.3%	329,290	46,123	300	---	46,423	5.4%	7,000
90	Benson	On- & Off-Sale	---	3,562	1,412,232	960,634	451,598	32.0%	423,577	28,021	45,585	---	73,606	5.2%	80,000
91	Thief River Falls	Off-Sale Only	---	9,058	5,078,482	3,934,138	1,144,344	22.5%	883,735	260,609	462	---	261,071	5.1%	431,307
92	Bagley	Off-Sale Only	---	1,299	1,761,193	1,314,532	446,661	25.4%	338,529	108,132	816	18,459	90,489	5.1%	---
93	Windom	Off-Sale Only	---	4,966	2,412,277	1,790,193	622,084	25.8%	500,013	122,071	1,286	---	123,357	5.1%	100,000
94	Lakeville	Off-Sale Only	---	73,828	21,894,980	16,008,561	5,886,419	26.9%	4,533,001	1,353,418	(167,094)	69,799	1,116,525	5.1%	1,295,451
95	Madelia	Off-Sale Only	---	2,409	761,833	569,136	192,697	25.3%	157,308	35,389	1,387	---	36,776	4.8%	20,000
96	Wells	Off-Sale Only	---	2,373	1,145,758	865,730	280,028	24.4%	216,517	63,511	3,264	12,368	54,407	4.7%	---
97	Akeley	On- & Off-Sale	---	426	488,961	226,495	262,466	53.7%	241,411	21,055	1,888	---	22,943	4.7%	13,532
98	Kasson	Off-Sale Only	---	7,115	1,684,032	1,319,660	364,372	21.6%	281,611	82,761	---	8,035	74,726	4.4%	16,000
99	Park Rapids	Off-Sale Only	---	4,298	3,489,995	2,593,495	896,500	25.7%	723,130	173,370	5,448	24,504	154,314	4.4%	---
100	Edina	Off-Sale Only	---	54,048	14,427,474	10,010,262	4,417,212	30.6%	3,723,521	693,691	(69,456)	---	624,235	4.3%	995,327
101	Dawson	Off-Sale Only	---	1,464	537,427	378,763	158,664	29.5%	134,870	23,794	(980)	---	22,814	4.2%	---
102	Millerville	On- & Off-Sale	---	101	328,457	178,935	149,522	45.5%	136,952	12,570	1,287	---	13,857	4.2%	---
103	Walker	Off-Sale Only	---	975	1,098,935	799,961	298,974	27.2%	254,869	44,105	1,662	---	45,767	4.2%	71,912
104	Hitterdal	On- & Off-Sale	---	217	526,484	301,731	224,753	42.7%	203,182	21,571	---	---	21,571	4.1%	(246)
105	Cleveland	On- & Off-Sale	---	801	293,732	178,510	115,222	39.2%	158,962	(43,740)	55,097	---	11,357	3.9%	---
106	Redwood Falls	Off-Sale Only	---	5,078	2,642,259	1,957,164	685,095	25.9%	568,699	116,396	(15,753)	3,662	96,981	3.7%	122,165
107	Maple Lake	Off-Sale Only	---	2,240	2,322,917	1,772,401	550,516	23.7%	483,454	67,062	14,424	201	81,285	3.5%	50,000
108	Barnesville	Off-Sale Only	---	2,858	1,103,319	804,116	299,203	27.1%	255,205	43,998	4,615	10,266	38,347	3.5%	---
109	Mahnomen	On- & Off-Sale	---	1,233	1,468,593	931,139	537,454	36.6%	529,481	7,973	40,753	---	48,726	3.3%	---
110	Hawley	Off-Sale Only	---	2,353	1,514,063	1,104,033	410,030	27.1%	355,233	54,797	165	5,542	49,420	3.3%	25,000
111	Aitkin	Off-Sale Only	---	2,266	1,538,130	1,203,859	334,271	21.7%	309,466	24,805	25,086	---	49,891	3.2%	78,000
112	Lakefield	Off-Sale Only	---	1,762	627,574	476,124	151,450	24.1%	134,084	17,366	2,881	---	20,247	3.2%	6,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 7

Comparison of City Liquor Store Operations - 2022

Ranked by Net Profit/(Loss) as a Percent of Sales

							Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
113	Blue Earth	Off-Sale Only	---	3,130	1,834,369	1,373,524	460,845	25.1%	413,813	47,032	10,592	---	57,624	3.1%	100,000
114	Appleton	Off-Sale Only	---	1,425	618,969	443,255	175,714	28.4%	156,476	19,238	---	66	19,172	3.1%	---
115	Elk River	Off-Sale Only	---	27,001	8,531,414	6,191,510	2,339,904	27.4%	1,593,173	746,731	(489,851)	344	256,536	3.0%	1,000,000
116	Milaca	Off-Sale Only	---	3,063	2,946,734	2,235,019	711,715	24.2%	633,990	77,725	9,564	---	87,289	3.0%	225,000
117	Caledonia	Off-Sale Only	---	2,895	1,005,971	767,486	238,485	23.7%	210,318	28,167	638	---	28,805	2.9%	25,000
118	Columbia Heights	Off-Sale Only	---	21,592	9,338,869	7,025,816	2,313,053	24.8%	2,007,369	305,684	(17,066)	43,582	245,036	2.6%	378,850
119	Twin Valley	On- & Off-Sale	---	727	679,290	380,227	299,063	44.0%	284,435	14,628	2,264	---	16,892	2.5%	2,500
120	North Branch	Off-Sale Only	---	11,756	3,839,269	2,797,680	1,041,589	27.1%	947,054	94,535	21	---	94,556	2.5%	94,556
121	Browerville	On- & Off-Sale	---	834	582,081	355,874	226,207	38.9%	253,174	(26,967)	41,144	182	13,995	2.4%	10,800
122	Osakis	On- & Off-Sale	---	1,808	917,236	593,597	323,639	35.3%	359,741	(36,102)	57,530	---	21,428	2.3%	25,128
123	Proctor	Off-Sale Only	---	3,097	1,184,177	866,727	317,450	26.8%	290,677	26,773	4,419	3,687	27,505	2.3%	5,286
124	Big Falls	On- & Off-Sale	---	192	377,299	171,607	205,692	54.5%	198,254	7,438	668	---	8,106	2.1%	5,000
125	Northfield	Off-Sale Only	---	21,109	2,797,955	2,032,144	765,811	27.4%	672,620	93,191	(33,110)	---	60,081	2.1%	50,000
126	Lancaster	On- & Off-Sale	---	386	359,627	171,517	188,110	52.3%	180,804	7,306	375	---	7,681	2.1%	30,000
127	Boyd	On- & Off-Sale	---	141	606,074	352,438	253,636	41.8%	263,949	(10,313)	38,209	14,998	12,898	2.1%	---
128	Russell	On- & Off-Sale	---	348	602,735	306,110	296,625	49.2%	293,143	3,482	9,001	---	12,483	2.1%	---
129	Lindstrom	On- & Off-Sale	---	5,019	3,012,702	2,128,290	884,412	29.4%	879,353	5,059	57,061	---	62,120	2.1%	191,330
130	Palisade	On- & Off-Sale	---	166	187,404	104,421	82,983	44.3%	92,158	(9,175)	12,433	---	3,258	1.7%	---
131	Orr	On- & Off-Sale	---	209	694,825	393,987	300,838	43.3%	291,472	9,366	1,893	---	11,259	1.6%	21,801
132	Howard Lake	On- & Off-Sale	---	2,173	1,007,849	755,607	252,242	25.0%	235,983	16,259	613	741	16,131	1.6%	---
133	Stacy	On- & Off-Sale	---	1,726	3,868,751	2,693,392	1,175,359	30.4%	1,173,752	1,607	75,827	18,143	59,291	1.5%	175,000
134	Isle	On- & Off-Sale	---	827	994,514	748,442	246,072	24.7%	251,097	(5,025)	19,575	---	14,550	1.5%	12,000
135	Kiester	Off-Sale Only	---	479	217,273	159,382	57,891	26.6%	58,759	(868)	4,394	500	3,026	1.4%	---
136	Hackensack	On- & Off-Sale	---	300	1,758,383	1,232,878	525,505	29.9%	515,445	10,060	10,905	1,368	19,597	1.1%	---
137	Northome	On- & Off-Sale	---	162	351,035	192,160	158,875	45.3%	156,135	2,740	9	---	2,749	0.8%	---
138	Paynesville	Off-Sale Only	---	2,578	1,926,006	1,504,539	421,467	21.9%	401,446	20,021	(4,144)	1,350	14,527	0.8%	40,000
139	Okabena	On- & Off-Sale	---	208	351,601	193,862	157,739	44.9%	155,180	2,559	---	---	2,559	0.7%	---
140	Dassel	Off-Sale Only	---	1,505	1,330,688	1,056,973	273,715	20.6%	259,390	14,325	17,566	22,548	9,343	0.7%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 7

Comparison of City Liquor Store Operations - 2022

Ranked by Net Profit/(Loss) as a Percent of Sales

							Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
141	Sherburn	On- & Off-Sale	---	1,063	997,964	612,199	385,765	38.7%	419,770	(34,005)	40,216	---	6,211	0.6%	---
142	Braham	Off-Sale Only	---	1,784	1,833,303	1,384,437	448,866	24.5%	455,491	(6,625)	17,384	---	10,759	0.6%	60,000
143	Wayzata	On- & Off-Sale	---	4,437	6,918,956	3,483,017	3,435,939	49.7%	3,340,417	95,522	29,837	89,370	35,989	0.5%	602,730
144	Silver Lake	On- & Off-Sale	---	884	597,862	317,474	280,388	46.9%	300,704	(20,316)	25,010	1,837	2,857	0.5%	5,000
145	Ulen	On- & Off-Sale	---	493	446,740	212,071	234,669	52.5%	233,361	1,308	133	---	1,441	0.3%	---
146	Holdingford	On- & Off-Sale	---	749	371,965	195,376	176,589	47.5%	183,864	(7,275)	6,747	---	(528)	-0.1%	---
147	Eagle Bend	On- & Off-Sale	---	542	276,382	147,623	128,759	46.6%	159,174	(30,415)	30,020	---	(395)	-0.1%	9,664
148	Ada	Off-Sale Only	---	1,773	623,943	453,503	170,440	27.3%	171,948	(1,508)	---	---	(1,508)	-0.2%	---
149	Buffalo Lake	On- & Off-Sale	---	660	503,225	282,946	220,279	43.8%	262,489	(42,210)	40,695	---	(1,515)	-0.3%	---
150	Balaton	On- & Off-Sale	---	593	387,149	257,444	129,705	33.5%	136,331	(6,626)	5,240	---	(1,386)	-0.4%	1
151	Waverly	On- & Off-Sale	---	2,116	1,076,795	732,551	344,244	32.0%	350,987	(6,743)	---	42	(6,785)	-0.6%	---
152	Saint Francis	Off-Sale Only	---	8,306	2,937,081	2,211,211	725,870	24.7%	726,267	(397)	(24,175)	---	(24,572)	-0.8%	60,000
153	Clarissa	On- & Off-Sale	---	662	500,782	282,962	217,820	43.5%	216,462	1,358	4,484	10,134	(4,292)	-0.9%	---
154	Brooklyn Center	Off-Sale Only	---	33,938	6,909,980	5,108,499	1,801,481	26.1%	1,790,242	11,239	(3,716)	66,759	(59,236)	-0.9%	---
155	Vergas	Off-Sale Only	---	343	826,212	632,524	193,688	23.4%	201,634	(7,946)	510	---	(7,436)	-0.9%	25,000
156	Olivia	Off-Sale Only	---	2,347	1,146,327	852,600	293,727	25.6%	289,507	4,220	(16,189)	---	(11,969)	-1.0%	---
157	Robbinsdale	Off-Sale Only	---	14,986	4,272,044	3,092,802	1,179,242	27.6%	1,103,586	75,656	(63,867)	63,884	(52,095)	-1.2%	200,000
158	Luverne	Off-Sale Only	---	5,033	1,823,362	1,390,434	432,928	23.7%	431,472	1,456	(24,194)	---	(22,738)	-1.2%	45,000
159	Beaver Bay	On- & Off-Sale	---	126	632,537	427,677	204,860	32.4%	252,109	(47,249)	36,651	---	(10,598)	-1.7%	---
160	Sauk Rapids	Off-Sale Only	---	13,559	3,711,456	2,827,475	883,981	23.8%	657,930	226,051	(115,440)	176,857	(66,246)	-1.8%	135,000
161	Underwood	Off-Sale Only	---	359	791,412	607,654	183,758	23.2%	205,490	(21,732)	7,250	---	(14,482)	-1.8%	---
162	Hanley Falls	On- & Off-Sale	---	233	220,429	118,115	102,314	46.4%	117,206	(14,892)	9,487	1,172	(6,577)	-3.0%	---
163	Sebeka	On- & Off-Sale	---	739	527,219	296,514	230,705	43.8%	246,707	(16,002)	---	93	(16,095)	-3.1%	---
164	Walnut Grove	On- & Off-Sale	---	744	523,868	266,568	257,300	49.1%	273,400	(16,100)	2,050	7,831	(21,881)	-4.2%	---
165	Sacred Heart	On- & Off-Sale	---	507	645,287	386,890	258,397	40.0%	309,630	(51,233)	24,238	408	(27,403)	-4.2%	---
166	Anoka	Off-Sale Only	---	18,127	3,531,627	2,624,248	907,379	25.7%	1,097,899	(190,520)	7,665	---	(182,855)	-5.2%	240,000
167	Elizabeth	Off-Sale Only	---	166	474,542	381,068	93,474	19.7%	118,736	(25,262)	---	---	(25,262)	-5.3%	---
168	Blackduck	On- & Off-Sale	---	844	1,638,505	951,968	686,537	41.9%	789,017	(102,480)	17,398	11,337	(96,419)	-5.9%	27,500

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 7

Comparison of City Liquor Store Operations - 2022

Ranked by Net Profit/(Loss) as a Percent of Sales

							Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Ranking	Name of City	Type of Store	Foot-notes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
169	Dalton	Off-Sale Only	---	209	248,296	194,674	53,622	21.6%	69,413	(15,791)	112	---	(15,679)	-6.3%	---
170	Remer	On- & Off-Sale	---	399	997,648	646,609	351,039	35.2%	427,135	(76,096)	528	---	(75,568)	-7.6%	6,000
171	Spring Grove	On- & Off-Sale	---	1,265	430,611	303,504	127,107	29.5%	169,031	(41,924)	6,085	---	(35,839)	-8.3%	---
172	Elmore	Off-Sale Only	---	536	100,245	72,853	27,392	27.3%	35,776	(8,384)	---	---	(8,384)	-8.4%	---
173	De Graff	On- & Off-Sale	---	111	434,682	245,005	189,677	43.6%	282,448	(92,771)	54,714	678	(38,735)	-8.9%	(33,424)
174	Lake Park	On- & Off-Sale	---	716	950,498	510,442	440,056	46.3%	614,437	(174,381)	323	---	(174,058)	-18.3%	---
175	Hanska	On- & Off-Sale	---	381	98,753	56,944	41,809	42.3%	68,312	(26,503)	3,176	414	(23,741)	-24.0%	4,640
176	Butterfield	Off-Sale Only	---	601	184,824	148,923	35,901	19.4%	87,829	(51,928)	1,186	---	(50,742)	-27.5%	---
	Off-Sale Only			**909,819**	**$351,979,527**	**$257,737,484**	**$94,242,043**	**26.8%**	**$68,573,672**	**$25,668,371**	**($1,040,889)**	**$1,090,878**	**$23,536,604**	**6.7%**	**$20,033,889**
	On- & Off-Sale			**85,902**	**$80,258,299**	**$48,453,655**	**$31,804,644**	**39.6%**	**$29,481,290**	**$2,323,354**	**$1,645,611**	**$193,937**	**$3,775,028**	**4.7%**	**$2,899,027**
	All Stores			**995,721**	**$432,237,826**	**$306,191,139**	**$126,046,687**	**29.2%**	**$98,054,962**	**$27,991,725**	**$604,722**	**$1,284,815**	**$27,311,632**	**6.3%**	**$22,932,916**

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 8

Comparison of Metro Area City Liquor Store Operations - 2022

						Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
Anoka	Off-Sale Only	---	18,127	3,531,627	2,624,248	907,379	25.7%	1,097,899	(190,520)	7,665	---	(182,855)	-5.2%	240,000
Apple Valley	Off-Sale Only	---	55,673	10,882,866	7,630,825	3,252,041	29.9%	2,320,251	931,790	(128,495)	12,938	790,357	7.3%	850,000
Brooklyn Center	Off-Sale Only	---	33,938	6,909,980	5,108,499	1,801,481	26.1%	1,790,242	11,239	(3,716)	66,759	(59,236)	-0.9%	---
Columbia Heights	Off-Sale Only	---	21,592	9,338,869	7,025,816	2,313,053	24.8%	2,007,369	305,684	(17,066)	43,582	245,036	2.6%	378,850
Eden Prairie	Off-Sale Only	---	64,023	12,067,226	8,450,887	3,616,339	30.0%	2,591,577	1,024,762	(40,588)	45,050	939,124	7.8%	800,000
Edina	Off-Sale Only	---	54,048	14,427,474	10,010,262	4,417,212	30.6%	3,723,521	693,691	(69,456)	---	624,235	4.3%	995,327
Farmington	Off-Sale Only	---	23,719	6,387,611	4,728,067	1,659,544	26.0%	1,212,002	447,542	(38,575)	37,334	371,633	5.8%	142,966
Fridley	Off-Sale Only	---	29,962	6,521,618	4,713,669	1,807,949	27.7%	1,307,853	500,096	(31,031)	43,707	425,358	6.5%	338,500
Lakeville	Off-Sale Only	---	73,828	21,894,980	16,008,561	5,886,419	26.9%	4,533,001	1,353,418	(167,094)	69,799	1,116,525	5.1%	1,295,451
Lexington	Off-Sale Only	---	2,738	3,543,896	2,609,098	934,798	26.4%	717,632	217,166	3,091	---	220,257	6.2%	275,000
Mound	Off-Sale Only	---	9,284	3,820,758	2,721,381	1,099,377	28.8%	688,608	410,769	7,929	---	418,698	11.0%	250,000
Richfield	Off-Sale Only	---	36,543	14,200,736	10,659,157	3,541,579	24.9%	2,565,546	976,033	25,604	---	1,001,637	7.1%	834,530
Robbinsdale	Off-Sale Only	---	14,986	4,272,044	3,092,802	1,179,242	27.6%	1,103,586	75,656	(63,867)	63,884	(52,095)	-1.2%	200,000
Rogers	On- & Off-Sale	---	14,430	4,404,750	3,005,016	1,399,734	31.8%	1,092,473	307,261	39,565	71	346,755	7.9%	242,466
Saint Anthony	Off-Sale Only	---	9,060	7,040,797	5,212,277	1,828,520	26.0%	1,351,817	476,703	(26,858)	---	449,845	6.4%	275,000
Saint Francis	Off-Sale Only	---	8,306	2,937,081	2,211,211	725,870	24.7%	726,267	(397)	(24,175)	---	(24,572)	-0.8%	60,000
Savage	Off-Sale Only	---	33,137	6,948,251	5,012,280	1,935,971	27.9%	1,467,439	468,532	60,288	---	528,820	7.6%	240,000
Wayzata	On- & Off-Sale	---	4,437	6,918,956	3,483,017	3,435,939	49.7%	3,340,417	95,522	29,837	89,370	35,989	0.5%	602,730
Off-Sale Only			**488,964**	**$134,725,814**	**$97,819,040**	**$36,906,774**	**27.4%**	**$29,204,610**	**$7,702,164**	**($506,344)**	**$383,053**	**$6,812,767**	**5.1%**	**$7,175,624**
On- & Off-Sale			**18,867**	**$11,323,706**	**$6,488,033**	**$4,835,673**	**42.7%**	**$4,432,890**	**$402,783**	**$69,402**	**$89,441**	**$382,744**	**3.4%**	**$845,196**
All Stores			**507,831**	**$146,049,520**	**$104,307,073**	**$41,742,447**	**28.6%**	**$33,637,500**	**$8,104,947**	**($436,942)**	**$472,494**	**$7,195,511**	**4.9%**	**$8,020,820**

Footnote:

* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 9

Comparison of Greater Minnesota City Liquor Store Operations - 2022

						Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
Ada	Off-Sale Only	---	1,773	623,943	453,503	170,440	27.3%	171,948	(1,508)	---	---	(1,508)	-0.2%	---
Aitkin	Off-Sale Only	---	2,266	1,538,130	1,203,859	334,271	21.7%	309,466	24,805	25,086	---	49,891	3.2%	78,000
Akeley	On- & Off-Sale	---	426	488,961	226,495	262,466	53.7%	241,411	21,055	1,888	---	22,943	4.7%	13,532
Alexandria	Off-Sale Only	---	15,263	7,973,675	6,034,273	1,939,402	24.3%	1,396,436	542,966	5,689	1,193	547,462	6.9%	286,074
Appleton	Off-Sale Only	---	1,425	618,969	443,255	175,714	28.4%	156,476	19,238	---	66	19,172	3.1%	---
Avoca	On- & Off-Sale	---	114	240,048	100,425	139,623	58.2%	124,979	14,644	22,845	3,485	34,004	14.2%	27,668
Bagley	Off-Sale Only	---	1,299	1,761,193	1,314,532	446,661	25.4%	338,529	108,132	816	18,459	90,489	5.1%	---
Balaton	On- & Off-Sale	---	593	387,149	257,444	129,705	33.5%	136,331	(6,626)	5,240	---	(1,386)	-0.4%	1
Barnesville	Off-Sale Only	---	2,858	1,103,319	804,116	299,203	27.1%	255,205	43,998	4,615	10,266	38,347	3.5%	---
Barnum	On- & Off-Sale	---	631	803,613	415,248	388,365	48.3%	315,818	72,547	37,823	---	110,370	13.7%	---
Battle Lake	Off-Sale Only	---	857	2,037,629	1,493,718	543,911	26.7%	393,263	150,648	2,791	11,690	141,749	7.0%	55,000
Baudette	On- & Off-Sale	---	976	1,966,633	1,198,987	767,646	39.0%	498,206	269,440	12,106	---	281,546	14.3%	170,000
Beaver Bay	On- & Off-Sale	---	126	632,537	427,677	204,860	32.4%	252,109	(47,249)	36,651	---	(10,598)	-1.7%	---
Bemidji	Off-Sale Only	---	15,947	8,366,668	5,740,598	2,626,070	31.4%	1,875,021	751,049	15,804	118,297	648,556	7.8%	774,499
Benson	On- & Off-Sale	---	3,562	1,412,232	960,634	451,598	32.0%	423,577	28,021	45,585	---	73,606	5.2%	80,000
Big Falls	On- & Off-Sale	---	192	377,299	171,607	205,692	54.5%	198,254	7,438	668	---	8,106	2.1%	5,000
Big Lake	Off-Sale Only	---	12,492	5,623,585	4,092,018	1,531,567	27.2%	915,941	615,626	32,633	6,200	642,059	11.4%	450,000
Blackduck	On- & Off-Sale	---	844	1,638,505	951,968	686,537	41.9%	789,017	(102,480)	17,398	11,337	(96,419)	-5.9%	27,500
Blue Earth	Off-Sale Only	---	3,130	1,834,369	1,373,524	460,845	25.1%	413,813	47,032	10,592	---	57,624	3.1%	100,000
Boyd	On- & Off-Sale	---	141	606,074	352,438	253,636	41.8%	263,949	(10,313)	38,209	14,998	12,898	2.1%	---
Braham	Off-Sale Only	---	1,784	1,833,303	1,384,437	448,866	24.5%	455,491	(6,625)	17,384	---	10,759	0.6%	60,000
Brandon	On- & Off-Sale	---	510	627,320	354,457	272,863	43.5%	241,993	30,870	3,623	---	34,493	5.5%	11,776
Browerville	On- & Off-Sale	---	834	582,081	355,874	226,207	38.9%	253,174	(26,967)	41,144	182	13,995	2.4%	10,800
Buffalo	Off-Sale Only	---	16,884	7,071,931	5,158,699	1,913,232	27.1%	1,373,796	539,436	68,851	35	608,252	8.6%	475,000
Buffalo Lake	On- & Off-Sale	---	660	503,225	282,946	220,279	43.8%	262,489	(42,210)	40,695	---	(1,515)	-0.3%	---
Butterfield	Off-Sale Only	---	601	184,824	148,923	35,901	19.4%	87,829	(51,928)	1,186	---	(50,742)	-27.5%	---
Caledonia	Off-Sale Only	---	2,895	1,005,971	767,486	238,485	23.7%	210,318	28,167	638	---	28,805	2.9%	25,000
Callaway	On- & Off-Sale	---	197	530,140	280,968	249,172	47.0%	161,611	87,561	1,016	---	88,577	16.7%	9,000
Cambridge	Off-Sale Only	---	10,541	6,650,664	4,953,842	1,696,822	25.5%	972,650	724,172	(5,586)	---	718,586	10.8%	725,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 9

Comparison of Greater Minnesota City Liquor Store Operations - 2022

Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit Amount ($)	Gross Profit Percent of Sales	Operating Expenses ($)	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
Clarissa	On- & Off-Sale	---	662	500,782	282,962	217,820	43.5%	216,462	1,358	4,484	10,134	(4,292)	-0.9%	---
Cleveland	On- & Off-Sale	---	801	293,732	178,510	115,222	39.2%	158,962	(43,740)	55,097	---	11,357	3.9%	---
Cook	Off-Sale Only	---	537	1,564,491	1,164,197	400,294	25.6%	304,513	95,781	1,706	---	97,487	6.2%	---
Cromwell	On- & Off-Sale	---	253	421,061	170,375	250,686	59.5%	233,476	17,210	16,692	---	33,902	8.1%	40,961
Dalton	Off-Sale Only	---	209	248,296	194,674	53,622	21.6%	69,413	(15,791)	112	---	(15,679)	-6.3%	---
Darwin	Off-Sale Only	---	350	795,132	631,496	163,636	20.6%	127,416	36,220	208,129	---	244,349	30.7%	---
Dassel	Off-Sale Only	---	1,505	1,330,688	1,056,973	273,715	20.6%	259,390	14,325	17,566	22,548	9,343	0.7%	---
Dawson	Off-Sale Only	---	1,464	537,427	378,763	158,664	29.5%	134,870	23,794	(980)	---	22,814	4.2%	---
De Graff	On- & Off-Sale	---	111	434,682	245,005	189,677	43.6%	282,448	(92,771)	54,714	678	(38,735)	-8.9%	(33,424)
Delano	Off-Sale Only	---	7,023	3,802,905	2,731,221	1,071,684	28.2%	770,979	300,705	(13,162)	7,670	279,873	7.4%	674,009
Detroit Lakes	Off-Sale Only	---	10,119	8,916,748	6,498,162	2,418,586	27.1%	1,383,229	1,035,357	(55,038)	86,537	893,782	10.0%	609,795
Eagle Bend	On- & Off-Sale	---	542	276,382	147,623	128,759	46.6%	159,174	(30,415)	30,020	---	(395)	-0.1%	9,664
Elizabeth	Off-Sale Only	---	166	474,542	381,068	93,474	19.7%	118,736	(25,262)	---	---	(25,262)	-5.3%	---
Elk River	Off-Sale Only	---	27,001	8,531,414	6,191,510	2,339,904	27.4%	1,593,173	746,731	(489,851)	344	256,536	3.0%	1,000,000
Elmore	Off-Sale Only	---	536	100,245	72,853	27,392	27.3%	35,776	(8,384)	---	---	(8,384)	-8.4%	---
Fairmont	Off-Sale Only	---	10,549	4,539,324	3,245,750	1,293,574	28.5%	653,037	640,537	(89,199)	---	551,338	12.1%	376,550
Fergus Falls	Off-Sale Only	---	14,085	7,310,030	4,976,220	2,333,810	31.9%	1,319,097	1,014,713	(56,199)	---	958,514	13.1%	675,189
Fifty Lakes	On- & Off-Sale	---	460	874,663	424,887	449,776	51.4%	377,881	71,895	---	---	71,895	8.2%	4,723
Finlayson	On- & Off-Sale	---	310	994,714	464,504	530,210	53.3%	417,385	112,825	123	4,819	108,129	10.9%	---
Foreston	On- & Off-Sale	---	571	462,369	199,905	262,464	56.8%	242,079	20,385	22,403	---	42,788	9.3%	28,612
Frazee	On- & Off-Sale	---	1,338	609,746	383,088	226,658	37.2%	218,303	8,355	56,866	---	65,221	10.7%	---
Gilman	On- & Off-Sale	---	219	474,806	207,957	266,849	56.2%	260,793	6,056	49,982	---	56,038	11.8%	---
Glencoe	Off-Sale Only	---	5,832	2,459,578	1,822,104	637,474	25.9%	385,348	252,126	206	12,459	239,873	9.8%	220,000
Glenwood	Off-Sale Only	---	2,705	1,764,924	1,303,924	461,000	26.1%	284,699	176,301	5,288	---	181,589	10.3%	60,000
Goodridge	On- & Off-Sale	---	102	445,244	230,456	214,788	48.2%	183,141	31,647	---	---	31,647	7.1%	20,000
Grand Marais	Off-Sale Only	---	1,344	2,355,091	1,658,128	696,963	29.6%	466,149	230,814	5,829	---	236,643	10.0%	200,004
Granite Falls	Off-Sale Only	---	2,673	1,452,238	1,097,138	355,100	24.5%	243,288	111,812	5,631	---	117,443	8.1%	100,000
Hackensack	On- & Off-Sale	---	300	1,758,383	1,232,878	525,505	29.9%	515,445	10,060	10,905	1,368	19,597	1.1%	---
Hadley	On- & Off-Sale	---	56	346,001	129,933	216,068	62.4%	142,470	73,598	8,515	3,003	79,110	22.9%	76,836

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 9

Comparison of Greater Minnesota City Liquor Store Operations - 2022

Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit Amount ($)	Gross Profit Percent of Sales	Operating Expenses ($)	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
Hanley Falls	On- & Off-Sale	---	233	220,429	118,115	102,314	46.4%	117,206	(14,892)	9,487	1,172	(6,577)	-3.0%	---
Hanska	On- & Off-Sale	---	381	98,753	56,944	41,809	42.3%	68,312	(26,503)	3,176	414	(23,741)	-24.0%	4,640
Hawley	Off-Sale Only	---	2,353	1,514,063	1,104,033	410,030	27.1%	355,233	54,797	165	5,542	49,420	3.3%	25,000
Heron Lake	On- & Off-Sale	---	608	386,150	205,543	180,607	46.8%	158,773	21,834	703	---	22,537	5.8%	---
Hinckley	On- & Off-Sale	---	1,964	3,248,105	2,270,584	977,521	30.1%	726,557	250,964	(3,925)	1,581	245,458	7.6%	280,000
Hitterdal	On- & Off-Sale	---	217	526,484	301,731	224,753	42.7%	203,182	21,571	---	---	21,571	4.1%	(246)
Holdingford	On- & Off-Sale	---	749	371,965	195,376	176,589	47.5%	183,864	(7,275)	6,747	---	(528)	-0.1%	---
Howard Lake	On- & Off-Sale	---	2,173	1,007,849	755,607	252,242	25.0%	235,983	16,259	613	741	16,131	1.6%	---
Hutchinson	Off-Sale Only	---	15,037	7,316,938	5,656,007	1,660,931	22.7%	1,209,000	451,931	995	---	452,926	6.2%	550,000
Isanti	Off-Sale Only	---	7,218	5,226,928	3,737,028	1,489,900	28.5%	748,878	741,022	(927)	57,639	682,456	13.1%	350,000
Isle	On- & Off-Sale	---	827	994,514	748,442	246,072	24.7%	251,097	(5,025)	19,575	---	14,550	1.5%	12,000
Jackson	Off-Sale Only	---	3,360	1,619,316	1,177,854	441,462	27.3%	335,176	106,286	2,647	17,727	91,206	5.6%	56,000
Kasson	Off-Sale Only	---	7,115	1,684,032	1,319,660	364,372	21.6%	281,611	82,761	---	8,035	74,726	4.4%	16,000
Kelliher	On- & Off-Sale	---	265	743,422	436,292	307,130	41.3%	250,546	56,584	3,058	---	59,642	8.0%	20,000
Kenyon	On- & Off-Sale	---	1,960	816,360	548,899	267,461	32.8%	249,722	17,739	54,642	---	72,381	8.9%	40,000
Kiester	Off-Sale Only	---	479	217,273	159,382	57,891	26.6%	58,759	(868)	4,394	500	3,026	1.4%	---
Lake Park	On- & Off-Sale	---	716	950,498	510,442	440,056	46.3%	614,437	(174,381)	323	---	(174,058)	-18.3%	---
Lakefield	Off-Sale Only	---	1,762	627,574	476,124	151,450	24.1%	134,084	17,366	2,881	---	20,247	3.2%	6,000
Lancaster	On- & Off-Sale	---	386	359,627	171,517	188,110	52.3%	180,804	7,306	375	---	7,681	2.1%	30,000
Le Center	On- & Off-Sale	---	2,544	1,162,232	764,833	397,399	34.2%	374,706	22,693	74,240	---	96,933	8.3%	60,000
Lewisville	On- & Off-Sale	---	212	235,685	140,697	94,988	40.3%	115,100	(20,112)	42,365	---	22,253	9.4%	---
Lindstrom	On- & Off-Sale	---	5,019	3,012,702	2,128,290	884,412	29.4%	879,353	5,059	57,061	---	62,120	2.1%	191,330
Litchfield	Off-Sale Only	---	6,718	3,159,403	2,368,396	791,007	25.0%	444,956	346,051	3,674	---	349,725	11.1%	354,412
Littlefork	On- & Off-Sale	[16][21]	562	214,587	117,026	97,561	45.5%	67,613	29,948	46,697	---	76,645	35.7%	145,965
Long Prairie	Off-Sale Only	---	3,727	2,033,804	1,551,097	482,707	23.7%	302,395	180,312	3,894	---	184,206	9.1%	114,000
Longville	On- & Off-Sale	---	152	2,245,943	1,356,242	889,701	39.6%	591,792	297,909	237	---	298,146	13.3%	---
Lonsdale	Off-Sale Only	---	4,933	1,947,646	1,520,588	427,058	21.9%	292,906	134,152	940	---	135,092	6.9%	38,463
Luverne	Off-Sale Only	---	5,033	1,823,362	1,390,434	432,928	23.7%	431,472	1,456	(24,194)	---	(22,738)	-1.2%	45,000
Madelia	Off-Sale Only	---	2,409	761,833	569,136	192,697	25.3%	157,308	35,389	1,387	---	36,776	4.8%	20,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 9

Comparison of Greater Minnesota City Liquor Store Operations - 2022

Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit Amount ($)	Gross Profit Percent of Sales	Operating Expenses ($)	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
Madison	Off-Sale Only	---	1,518	487,176	355,267	131,909	27.1%	100,964	30,945	---	---	30,945	6.4%	20,000
Mahnomen	On- & Off-Sale	---	1,233	1,468,593	931,139	537,454	36.6%	529,481	7,973	40,753	---	48,726	3.3%	---
Maple Lake	Off-Sale Only	---	2,240	2,322,917	1,772,401	550,516	23.7%	483,454	67,062	14,424	201	81,285	3.5%	50,000
Mapleton	On- & Off-Sale	---	1,725	644,137	383,069	261,068	40.5%	255,964	5,104	68,238	---	73,342	11.4%	20,500
Marshall	Off-Sale Only	---	13,811	7,078,147	5,070,369	2,007,778	28.4%	1,054,632	953,146	(7,654)	56,078	889,414	12.6%	575,000
Mazeppa	On- & Off-Sale	---	894	661,451	368,159	293,292	44.3%	303,182	(9,890)	60,051	761	49,400	7.5%	(3,828)
Medford	On- & Off-Sale	---	1,383	386,007	192,950	193,057	50.0%	190,701	2,356	31,461	---	33,817	8.8%	---
Menahga	On- & Off-Sale	---	1,353	1,141,273	712,382	428,891	37.6%	321,013	107,878	2,946	---	110,824	9.7%	65,000
Mentor	On- & Off-Sale	---	104	531,643	247,701	283,942	53.4%	229,242	54,700	6,197	---	60,897	11.5%	42,000
Milaca	Off-Sale Only	---	3,063	2,946,734	2,235,019	711,715	24.2%	633,990	77,725	9,564	---	87,289	3.0%	225,000
Millerville	On- & Off-Sale	---	101	328,457	178,935	149,522	45.5%	136,952	12,570	1,287	---	13,857	4.2%	---
Miltona	On- & Off-Sale	---	447	787,403	432,411	354,992	45.1%	294,048	60,944	---	---	60,944	7.7%	41,692
Montevideo	Off-Sale Only	---	5,513	2,690,596	1,984,398	706,198	26.2%	521,251	184,947	3,704	536	188,115	7.0%	205,000
Monticello	Off-Sale Only	---	15,087	7,174,059	5,256,029	1,918,030	26.7%	1,058,027	860,003	(82,243)	---	777,760	10.8%	---
Moose Lake	On- & Off-Sale	---	2,824	1,971,870	1,320,512	651,358	33.0%	461,954	189,404	---	---	189,404	9.6%	---
Mora	Off-Sale Only	---	3,729	4,414,982	3,300,852	1,114,130	25.2%	611,222	502,908	10,721	26,000	487,629	11.0%	301,000
Morris	Off-Sale Only	---	4,961	2,466,639	1,869,584	597,055	24.2%	414,049	183,006	16,793	---	199,799	8.1%	53,883
Nevis	On- & Off-Sale	---	392	901,352	486,547	414,805	46.0%	340,702	74,103	29,170	---	103,273	11.5%	35,000
New York Mills	On- & Off-Sale	---	1,287	835,576	526,549	309,027	37.0%	268,753	40,274	9,528	---	49,802	6.0%	17,100
Nisswa	On- & Off-Sale	---	2,121	5,306,132	3,509,556	1,796,576	33.9%	1,432,918	363,658	3,134	20,945	345,847	6.5%	265,000
North Branch	Off-Sale Only	---	11,756	3,839,269	2,797,680	1,041,589	27.1%	947,054	94,535	21	---	94,556	2.5%	94,556
Northfield	Off-Sale Only	---	21,109	2,797,955	2,032,144	765,811	27.4%	672,620	93,191	(33,110)	---	60,081	2.1%	50,000
Northome	On- & Off-Sale	---	162	351,035	192,160	158,875	45.3%	156,135	2,740	9	---	2,749	0.8%	---
Ogema	On- & Off-Sale	[0]	207	438,496	204,687	233,809	53.3%	167,761	66,048	3,641	---	69,689	15.9%	2,000
Ogilvie	On- & Off-Sale	---	390	866,522	491,109	375,413	43.3%	329,290	46,123	300	---	46,423	5.4%	7,000
Okabena	On- & Off-Sale	---	208	351,601	193,862	157,739	44.9%	155,180	2,559	---	---	2,559	0.7%	---
Olivia	Off-Sale Only	---	2,347	1,146,327	852,600	293,727	25.6%	289,507	4,220	(16,189)	---	(11,969)	-1.0%	---
Orr	On- & Off-Sale	---	209	694,825	393,987	300,838	43.3%	291,472	9,366	1,893	---	11,259	1.6%	21,801
Osakis	On- & Off-Sale	---	1,808	917,236	593,597	323,639	35.3%	359,741	(36,102)	57,530	---	21,428	2.3%	25,128

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 9

Comparison of Greater Minnesota City Liquor Store Operations - 2022

						Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		
Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/(Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers* ($)
Palisade	On- & Off-Sale	---	166	187,404	104,421	82,983	44.3%	92,158	(9,175)	12,433	---	3,258	1.7%	---
Park Rapids	Off-Sale Only	---	4,298	3,489,995	2,593,495	896,500	25.7%	723,130	173,370	5,448	24,504	154,314	4.4%	---
Paynesville	Off-Sale Only	---	2,578	1,926,006	1,504,539	421,467	21.9%	401,446	20,021	(4,144)	1,350	14,527	0.8%	40,000
Pelican Rapids	Off-Sale Only	---	2,560	1,608,918	1,122,025	486,893	30.3%	320,865	166,028	3,053	---	169,081	10.5%	141,156
Perham	Off-Sale Only	---	3,605	4,410,460	3,138,058	1,272,402	28.8%	694,636	577,766	30,626	1,250	607,142	13.8%	314,050
Pine City	Off-Sale Only	---	3,458	2,388,535	1,703,813	684,722	28.7%	507,844	176,878	(303)	---	176,575	7.4%	185,000
Pipestone	Off-Sale Only	---	4,106	1,909,041	1,413,628	495,413	26.0%	324,195	171,218	1,642	---	172,860	9.1%	191,317
Princeton	Off-Sale Only	---	5,425	5,714,281	4,267,865	1,446,416	25.3%	622,521	823,895	(85,844)	---	738,051	12.9%	35,872
Proctor	Off-Sale Only	---	3,097	1,184,177	866,727	317,450	26.8%	290,677	26,773	4,419	3,687	27,505	2.3%	5,286
Randall	On- & Off-Sale	---	608	829,605	533,704	295,901	35.7%	247,282	48,619	42,009	---	90,628	10.9%	---
Ranier	On- & Off-Sale	---	565	507,648	198,156	309,492	61.0%	291,307	18,185	21,860	---	40,045	7.9%	20,000
Redwood Falls	Off-Sale Only	---	5,078	2,642,259	1,957,164	685,095	25.9%	568,699	116,396	(15,753)	3,662	96,981	3.7%	122,165
Remer	On- & Off-Sale	---	399	997,648	646,609	351,039	35.2%	427,135	(76,096)	528	---	(75,568)	-7.6%	6,000
Roseau	Off-Sale Only	---	2,850	2,233,257	1,629,876	603,381	27.0%	320,218	283,163	804	---	283,967	12.7%	200,000
Russell	On- & Off-Sale	---	348	602,735	306,110	296,625	49.2%	293,143	3,482	9,001	---	12,483	2.1%	---
Sacred Heart	On- & Off-Sale	---	507	645,287	386,890	258,397	40.0%	309,630	(51,233)	24,238	408	(27,403)	-4.2%	---
Saint James	Off-Sale Only	---	4,788	1,139,775	758,538	381,237	33.4%	293,573	87,664	10,935	---	98,599	8.7%	189,042
Sauk Rapids	Off-Sale Only	---	13,559	3,711,456	2,827,475	883,981	23.8%	657,930	226,051	(115,440)	176,857	(66,246)	-1.8%	135,000
Sebeka	On- & Off-Sale	---	739	527,219	296,514	230,705	43.8%	246,707	(16,002)	---	93	(16,095)	-3.1%	---
Sherburn	On- & Off-Sale	---	1,063	997,964	612,199	385,765	38.7%	419,770	(34,005)	40,216	---	6,211	0.6%	---
Silver Bay	On- & Off-Sale	---	1,895	1,226,314	696,978	529,336	43.2%	461,777	67,559	1,522	524	68,557	5.6%	---
Silver Lake	On- & Off-Sale	---	884	597,862	317,474	280,388	46.9%	300,704	(20,316)	25,010	1,837	2,857	0.5%	5,000
Spring Grove	On- & Off-Sale	---	1,265	430,611	303,504	127,107	29.5%	169,031	(41,924)	6,085	---	(35,839)	-8.3%	---
Stacy	On- & Off-Sale	---	1,726	3,868,751	2,693,392	1,175,359	30.4%	1,173,752	1,607	75,827	18,143	59,291	1.5%	175,000
Thief River Falls	Off-Sale Only	---	9,058	5,078,482	3,934,138	1,144,344	22.5%	883,735	260,609	462	---	261,071	5.1%	431,307
Tracy	Off-Sale Only	---	2,070	867,284	623,856	243,428	28.1%	186,403	57,025	6,383	---	63,408	7.3%	97,465
Twin Valley	On- & Off-Sale	---	727	679,290	380,227	299,063	44.0%	284,435	14,628	2,264	---	16,892	2.5%	2,500
Two Harbors	Off-Sale Only	---	3,698	3,002,214	2,201,838	800,376	26.7%	553,146	247,230	7,114	---	254,344	8.5%	259
Ulen	On- & Off-Sale	---	493	446,740	212,071	234,669	52.5%	233,361	1,308	133	---	1,441	0.3%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 9

Comparison of Greater Minnesota City Liquor Store Operations - 2022

Name of City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit Amount ($)	Gross Profit Percent of Sales	Operating Expenses ($)	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
Underwood	Off-Sale Only	---	359	791,412	607,654	183,758	23.2%	205,490	(21,732)	7,250	---	(14,482)	-1.8%	---
Vergas	Off-Sale Only	---	343	826,212	632,524	193,688	23.4%	201,634	(7,946)	510	---	(7,436)	-0.9%	25,000
Verndale	On- & Off-Sale	---	504	404,408	188,604	215,804	53.4%	157,724	58,080	84	---	58,164	14.4%	---
Wadena	Off-Sale Only	---	4,311	2,708,999	1,994,869	714,130	26.4%	361,663	352,467	(16,020)	---	336,447	12.4%	120,000
Walker	Off-Sale Only	---	975	1,098,935	799,961	298,974	27.2%	254,869	44,105	1,662	---	45,767	4.2%	71,912
Walnut Grove	On- & Off-Sale	---	744	523,868	266,568	257,300	49.1%	273,400	(16,100)	2,050	7,831	(21,881)	-4.2%	---
Warroad	Off-Sale Only	---	1,857	2,033,888	1,482,486	551,402	27.1%	351,058	200,344	---	---	200,344	9.9%	85,000
Waverly	On- & Off-Sale	---	2,116	1,076,795	732,551	344,244	32.0%	350,987	(6,743)	---	42	(6,785)	-0.6%	---
Wells	Off-Sale Only	---	2,373	1,145,758	865,730	280,028	24.4%	216,517	63,511	3,264	12,368	54,407	4.7%	---
West Concord	On- & Off-Sale	---	869	253,654	137,416	116,238	45.8%	140,184	(23,946)	50,348	---	26,402	10.4%	---
Windom	Off-Sale Only	---	4,966	2,412,277	1,790,193	622,084	25.8%	500,013	122,071	1,286	---	123,357	5.1%	100,000
Wolf Lake	On- & Off-Sale	---	70	263,494	131,091	132,403	50.2%	111,440	20,963	16,397	---	37,360	14.2%	20,600
Worthington	Off-Sale Only	---	14,052	5,221,873	3,874,946	1,346,927	25.8%	914,957	431,970	(14,323)	16,125	401,522	7.7%	275,000
Off-Sale Only			**420,855**	**$217,253,713**	**$159,918,444**	**$57,335,269**	**26.4%**	**$39,369,062**	**$17,966,207**	**($534,545)**	**$707,825**	**$16,723,837**	**7.7%**	**$12,858,265**
On- & Off-Sale			**67,035**	**$68,934,593**	**$41,965,622**	**$26,968,971**	**39.1%**	**$25,048,400**	**$1,920,571**	**$1,576,209**	**$104,496**	**$3,392,284**	**4.9%**	**$2,053,831**
All Stores			**487,890**	**$286,188,306**	**$201,884,066**	**$84,304,240**	**29.5%**	**$64,417,462**	**$19,886,778**	**$1,041,664**	**$812,321**	**$20,116,121**	**7.0%**	**$14,912,096**

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Appendix 2

2022 Liquor Store Tables and Maps by Economic Development Region

Table 10

Comparison of Off-Sale City Liquor Store Operations - 2022

Average Per Store by Economic Development Region

					Gross Profit		Operating		Nonoperating			
Region	Population	Number of Stores	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/ (Loss) ($)	Revenues ($)	Expenses ($)	Net Income/ (Loss) ($)	Net Transfers* ($)
1 - Northwest	15,538	4	2,492,393	1,875,001	617,392	24.8%	431,740	185,652	317	---	185,969	179,077
2 - Headwaters	21,544	4	3,404,464	2,412,156	992,308	29.1%	734,170	258,138	5,517	40,315	223,340	193,625
3 - Arrowhead	10,942	5	1,928,821	1,418,950	509,871	26.4%	384,790	125,081	8,831	737	133,174	56,710
4 - West Central	60,443	16	2,590,429	1,885,002	705,427	27.2%	463,249	242,178	(2,147)	7,280	232,752	140,322
5 - North Central	9,013	3	1,947,246	1,448,642	498,604	25.6%	306,309	192,295	(3,488)	---	188,807	101,971
6E - Southwest Central	31,789	6	2,701,344	2,064,596	636,748	23.6%	452,603	184,146	35,730	5,835	214,041	187,402
6W - Upper Southwest	12,593	5	1,157,281	851,764	305,517	26.4%	231,370	74,147	1,671	120	75,698	65,000
7E - East Central	46,974	9	3,668,300	2,708,948	959,351	26.2%	611,072	348,279	(6,108)	9,293	332,878	219,603
7W - Central	96,864	10	4,016,427	2,953,389	1,063,038	26.5%	725,475	337,564	(58,893)	19,266	259,405	282,401
8 - Southwest	54,238	9	2,689,015	1,974,952	714,063	26.6%	494,403	219,659	(5,232)	10,399	204,029	163,105
9 - South Central	24,865	8	1,240,425	899,230	341,196	27.5%	239,577	101,619	(7,180)	1,609	92,831	85,699
10 - Southeast	36,052	4	1,858,901	1,409,970	448,932	24.2%	364,364	84,568	(7,883)	2,009	74,676	32,366
11 - 7-County Metro Area	488,964	36	3,742,384	2,717,196	1,025,188	27.4%	811,239	213,949	(14,065)	10,640	189,244	199,323
Average for Off-Sale	**909,819**	**119**	**$2,957,811**	**$2,165,861**	**$791,950**	**26.8%**	**$576,249**	**$215,701**	**($8,747)**	**$9,167**	**$197,787**	**$168,352**

*Net transfers are calculated by subtracting transfers in from transfers out. A negative amount generally indicates that the enterprise is not self-supporting and requires transfers from other funds to maintain operations.

Table 11

Comparison of On-Sale City Liquor Store Operations - 2022

Average Per Store by Economic Development Region

					Gross Profit		Operating		Nonoperating			
Region	Population	Number of Stores	Sales ($)	Cost of Sales ($)	Amount ($)	Percent of Sales	Expenses ($)	Income/ (Loss) ($)	Revenues ($)	Expenses ($)	Net Income/ (Loss) ($)	Net Transfers* ($)
1 - Northwest	1,319	4	503,951	257,475	246,476	48.9%	219,406	27,070	2,209	---	29,279	23,625
2 - Headwaters	4,136	8	900,933	528,929	372,005	41.3%	331,170	40,834	13,047	1,417	52,464	33,254
3 - Arrowhead	7,585	11	671,654	382,559	289,095	43.0%	256,552	32,543	16,023	48	48,518	21,248
4 - West Central	7,391	12	605,133	342,502	262,630	43.4%	250,965	11,665	12,529	---	24,194	10,588
5 - North Central	8,674	15	1,029,635	645,856	383,779	37.3%	329,780	53,998	9,033	2,181	60,850	24,079
6E - Southwest Central	2,051	3	582,125	329,103	253,021	43.5%	290,941	(37,920)	29,981	748	(8,687)	1,667
6W - Upper Southwest	4,047	5	534,683	335,238	199,445	37.3%	217,436	(17,991)	29,599	3,370	8,238	9,315
7E - East Central	10,807	9	1,494,186	999,581	494,606	33.1%	446,613	47,993	19,040	2,727	64,307	77,105
7W - Central	5,257	4	732,854	472,873	259,981	35.5%	257,907	2,074	14,336	196	16,214	---
8 - Southwest	2,671	7	405,365	208,555	196,810	48.6%	183,468	13,342	6,908	2,046	18,204	14,929
9 - South Central	6,726	6	572,084	356,042	216,042	37.8%	232,136	(16,094)	47,222	69	31,059	14,190
10 - Southeast	6,371	5	509,617	310,186	199,431	39.1%	210,564	(11,133)	40,517	152	29,232	7,234
11 - 7-County Metro Area	18,867	3	3,774,569	2,162,678	1,611,891	42.7%	1,477,630	134,261	23,134	29,814	127,581	281,732
Average for On-Sale	**85,902**	**92**	**$872,373**	**$526,670**	**$345,703**	**39.6%**	**$320,449**	**$25,254**	**$17,887**	**$2,108**	**$41,033**	**$31,511**

*Net transfers are calculated by subtracting transfers in from transfers out. A negative amount generally indicates that the enterprise is not self-supporting and requires transfers from other funds to maintain operations.

Table 12

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating: Expenses ($)	Operating: Expenses as a Percent of Sales	Operating: Income/(Loss) ($)	Nonoperating: Revenues ($)	Nonoperating: Expenses ($)	Net Profit/(Loss): Amount ($)	Net Profit/(Loss): Percent of Sales	Net Transfers* ($)
1 - Northwest														
Ada	Off-Sale Only	---	1,773	623,943	453,503	170,440	171,948	27.6%	(1,508)	---	---	(1,508)	-0.2%	---
Goodridge	On- & Off-Sale	---	102	445,244	230,456	214,788	183,141	41.1%	31,647	---	---	31,647	7.1%	20,000
Lancaster	On- & Off-Sale	---	386	359,627	171,517	188,110	180,804	50.3%	7,306	375	---	7,681	2.1%	30,000
Mentor	On- & Off-Sale	---	104	531,643	247,701	283,942	229,242	43.1%	54,700	6,197	---	60,897	11.5%	42,000
Roseau	Off-Sale Only	---	2,850	2,233,257	1,629,876	603,381	320,218	14.3%	283,163	804	---	283,967	12.7%	200,000
Thief River Falls	Off-Sale Only	---	9,058	5,078,482	3,934,138	1,144,344	883,735	17.4%	260,609	462	---	261,071	5.1%	431,307
Twin Valley	On- & Off-Sale	---	727	679,290	380,227	299,063	284,435	41.9%	14,628	2,264	---	16,892	2.5%	2,500
Warroad	Off-Sale Only	---	1,857	2,033,888	1,482,486	551,402	351,058	17.3%	200,344	---	---	200,344	9.9%	85,000
Total for Region			**16,857**	**$11,985,374**	**$8,529,904**	**$3,455,470**	**$2,604,581**	**21.7%**	**$850,889**	**$10,102**	**$---**	**$860,991**	**7.2%**	**$810,807**
Percent of Total MLS Operations			**1.7%**	**2.8%**	**2.8%**	**2.7%**	**2.7%**		**3.0%**	**1.7%**	**---**	**3.2%**		**3.5%**
2 - Headwaters														
Akeley	On- & Off-Sale	---	426	488,961	226,495	262,466	241,411	49.4%	21,055	1,888	---	22,943	4.7%	13,532
Bagley	Off-Sale Only	---	1,299	1,761,193	1,314,532	446,661	338,529	19.2%	108,132	816	18,459	90,489	5.1%	---
Baudette	On- & Off-Sale	---	976	1,966,633	1,198,987	767,646	498,206	25.3%	269,440	12,106	---	281,546	14.3%	170,000
Bemidji	Off-Sale Only	---	15,947	8,366,668	5,740,598	2,626,070	1,875,021	22.4%	751,049	15,804	118,297	648,556	7.8%	774,499
Blackduck	On- & Off-Sale	---	844	1,638,505	951,968	686,537	789,017	48.2%	(102,480)	17,398	11,337	(96,419)	-5.9%	27,500
Kelliher	On- & Off-Sale	---	265	743,422	436,292	307,130	250,546	33.7%	56,584	3,058	---	59,642	8.0%	20,000
Mahnomen	On- & Off-Sale	---	1,233	1,468,593	931,139	537,454	529,481	36.1%	7,973	40,753	---	48,726	3.3%	---
Nevis	On- & Off-Sale	---	392	901,352	486,547	414,805	340,702	37.8%	74,103	29,170	---	103,273	11.5%	35,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 12

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating: Expenses ($)	Operating: Expenses as a Percent of Sales	Operating: Income/(Loss) ($)	Nonoperating: Revenues ($)	Nonoperating: Expenses ($)	Net Profit/(Loss): Amount ($)	Net Profit/(Loss): Percent of Sales	Net Transfers* ($)
Park Rapids	Off-Sale Only	---	4,298	3,489,995	2,593,495	896,500	723,130	20.7%	173,370	5,448	24,504	154,314	4.4%	---
Total for Region			**25,680**	**$20,825,322**	**$13,880,053**	**$6,945,269**	**$5,586,043**	**26.8%**	**$1,359,226**	**$126,441**	**$172,597**	**$1,313,070**	**6.3%**	**$1,040,531**
Percent of Total MLS Operations			**2.6%**	**4.8%**	**4.5%**	**5.5%**	**5.7%**		**4.9%**	**20.9%**	**13.4%**	**4.8%**		**4.5%**
3 - Arrowhead														
Aitkin	Off-Sale Only	---	2,266	1,538,130	1,203,859	334,271	309,466	20.1%	24,805	25,086	---	49,891	3.2%	78,000
Barnum	On- & Off-Sale	---	631	803,613	415,248	388,365	315,818	39.3%	72,547	37,823	---	110,370	13.7%	---
Beaver Bay	On- & Off-Sale	---	126	632,537	427,677	204,860	252,109	39.9%	(47,249)	36,651	---	(10,598)	-1.7%	---
Big Falls	On- & Off-Sale	---	192	377,299	171,607	205,692	198,254	52.5%	7,438	668	---	8,106	2.1%	5,000
Cook	Off-Sale Only	---	537	1,564,491	1,164,197	400,294	304,513	19.5%	95,781	1,706	---	97,487	6.2%	---
Cromwell	On- & Off-Sale	---	253	421,061	170,375	250,686	233,476	55.4%	17,210	16,692	---	33,902	8.1%	40,961
Grand Marais	Off-Sale Only	---	1,344	2,355,091	1,658,128	696,963	466,149	19.8%	230,814	5,829	---	236,643	10.0%	200,004
Littlefork	On- & Off-Sale	[16][21]	562	214,587	117,026	97,561	67,613	31.5%	29,948	46,697	---	76,645	35.7%	145,965
Moose Lake	On- & Off-Sale	---	2,824	1,971,870	1,320,512	651,358	461,954	23.4%	189,404	---	---	189,404	9.6%	---
Northome	On- & Off-Sale	---	162	351,035	192,160	158,875	156,135	44.5%	2,740	9	---	2,749	0.8%	---
Orr	On- & Off-Sale	---	209	694,825	393,987	300,838	291,472	41.9%	9,366	1,893	---	11,259	1.6%	21,801
Palisade	On- & Off-Sale	---	166	187,404	104,421	82,983	92,158	49.2%	(9,175)	12,433	---	3,258	1.7%	---
Proctor	Off-Sale Only	---	3,097	1,184,177	866,727	317,450	290,677	24.5%	26,773	4,419	3,687	27,505	2.3%	5,286
Ranier	On- & Off-Sale	---	565	507,648	198,156	309,492	291,307	57.4%	18,185	21,860	---	40,045	7.9%	20,000
Silver Bay	On- & Off-Sale	---	1,895	1,226,314	696,978	529,336	461,777	37.7%	67,559	1,522	524	68,557	5.6%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 12

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating: Expenses ($)	Operating: Expenses as a Percent of Sales	Operating: Income/(Loss) ($)	Nonoperating: Revenues ($)	Nonoperating: Expenses ($)	Net Profit/(Loss): Amount ($)	Net Profit/(Loss): Percent of Sales	Net Transfers* ($)
Two Harbors	Off-Sale Only	---	3,698	3,002,214	2,201,838	800,376	553,146	18.4%	247,230	7,114	---	254,344	8.5%	259
Total for Region			**18,527**	**$17,032,296**	**$11,302,896**	**$5,729,400**	**$4,746,024**	**27.9%**	**$983,376**	**$220,402**	**$4,211**	**$1,199,567**	**7.0%**	**$517,276**
Percent of Total MLS Operations			**1.9%**	**3.9%**	**3.7%**	**4.5%**	**4.8%**		**3.5%**	**36.4%**	**0.3%**	**4.4%**		**2.3%**
4 - West Central														
Alexandria	Off-Sale Only	---	15,263	7,973,675	6,034,273	1,939,402	1,396,436	17.5%	542,966	5,689	1,193	547,462	6.9%	286,074
Barnesville	Off-Sale Only	---	2,858	1,103,319	804,116	299,203	255,205	23.1%	43,998	4,615	10,266	38,347	3.5%	---
Battle Lake	Off-Sale Only	---	857	2,037,629	1,493,718	543,911	393,263	19.3%	150,648	2,791	11,690	141,749	7.0%	55,000
Brandon	On- & Off-Sale	---	510	627,320	354,457	272,863	241,993	38.6%	30,870	3,623	---	34,493	5.5%	11,776
Callaway	On- & Off-Sale	---	197	530,140	280,968	249,172	161,611	30.5%	87,561	1,016	---	88,577	16.7%	9,000
Dalton	Off-Sale Only	---	209	248,296	194,674	53,622	69,413	28.0%	(15,791)	112	---	(15,679)	-6.3%	---
Detroit Lakes	Off-Sale Only	---	10,119	8,916,748	6,498,162	2,418,586	1,383,229	15.5%	1,035,357	(55,038)	86,537	893,782	10.0%	609,795
Elizabeth	Off-Sale Only	---	166	474,542	381,068	93,474	118,736	25.0%	(25,262)	---	---	(25,262)	-5.3%	---
Fergus Falls	Off-Sale Only	---	14,085	7,310,030	4,976,220	2,333,810	1,319,097	18.0%	1,014,713	(56,199)	---	958,514	13.1%	675,189
Frazee	On- & Off-Sale	---	1,338	609,746	383,088	226,658	218,303	35.8%	8,355	56,866	---	65,221	10.7%	---
Glenwood	Off-Sale Only	---	2,705	1,764,924	1,303,924	461,000	284,699	16.1%	176,301	5,288	---	181,589	10.3%	60,000
Hawley	Off-Sale Only	---	2,353	1,514,063	1,104,033	410,030	355,233	23.5%	54,797	165	5,542	49,420	3.3%	25,000
Hitterdal	On- & Off-Sale	---	217	526,484	301,731	224,753	203,182	38.6%	21,571	---	---	21,571	4.1%	(246)
Lake Park	On- & Off-Sale	---	716	950,498	510,442	440,056	614,437	64.6%	(174,381)	323	---	(174,058)	-18.3%	---
Millerville	On- & Off-Sale	---	101	328,457	178,935	149,522	136,952	41.7%	12,570	1,287	---	13,857	4.2%	---
Miltona	On- & Off-Sale	---	447	787,403	432,411	354,992	294,048	37.3%	60,944	---	---	60,944	7.7%	41,692

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 12

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating: Expenses ($)	Operating: Expenses as a Percent of Sales	Operating: Income/(Loss) ($)	Nonoperating: Revenues ($)	Nonoperating: Expenses ($)	Net Profit/(Loss): Amount ($)	Net Profit/(Loss): Percent of Sales	Net Transfers* ($)
Morris	Off-Sale Only	---	4,961	2,466,639	1,869,584	597,055	414,049	16.8%	183,006	16,793	---	199,799	8.1%	53,883
New York Mills	On- & Off-Sale	---	1,287	835,576	526,549	309,027	268,753	32.2%	40,274	9,528	---	49,802	6.0%	17,100
Ogema	On- & Off-Sale	[0]	207	438,496	204,687	233,809	167,761	38.3%	66,048	3,641	---	69,689	15.9%	2,000
Osakis	On- & Off-Sale	---	1,808	917,236	593,597	323,639	359,741	39.2%	(36,102)	57,530	---	21,428	2.3%	25,128
Pelican Rapids	Off-Sale Only	---	2,560	1,608,918	1,122,025	486,893	320,865	19.9%	166,028	3,053	---	169,081	10.5%	141,156
Perham	Off-Sale Only	---	3,605	4,410,460	3,138,058	1,272,402	694,636	15.7%	577,766	30,626	1,250	607,142	13.8%	314,050
Ulen	On- & Off-Sale	---	493	446,740	212,071	234,669	233,361	52.2%	1,308	133	---	1,441	0.3%	---
Underwood	Off-Sale Only	---	359	791,412	607,654	183,758	205,490	26.0%	(21,732)	7,250	---	(14,482)	-1.8%	---
Vergas	Off-Sale Only	---	343	826,212	632,524	193,688	201,634	24.4%	(7,946)	510	---	(7,436)	-0.9%	25,000
Wolf Lake	On- & Off-Sale	---	70	263,494	131,091	132,403	111,440	42.3%	20,963	16,397	---	37,360	14.2%	20,600
Total for Region			**67,834**	**$48,708,457**	**$34,270,060**	**$14,438,397**	**$10,423,567**	**21.4%**	**$4,014,830**	**$115,999**	**$116,478**	**$4,014,351**	**8.2%**	**$2,372,197**
Percent of Total MLS Operations			**6.8%**	**11.3%**	**11.2%**	**11.5%**	**10.6%**		**14.3%**	**19.2%**	**9.1%**	**14.7%**		**10.3%**
5 - North Central														
Browerville	On- & Off-Sale	---	834	582,081	355,874	226,207	253,174	43.5%	(26,967)	41,144	182	13,995	2.4%	10,800
Clarissa	On- & Off-Sale	---	662	500,782	282,962	217,820	216,462	43.2%	1,358	4,484	10,134	(4,292)	-0.9%	---
Eagle Bend	On- & Off-Sale	---	542	276,382	147,623	128,759	159,174	57.6%	(30,415)	30,020	---	(395)	-0.1%	9,664
Fifty Lakes	On- & Off-Sale	---	460	874,663	424,887	449,776	377,881	43.2%	71,895	---	---	71,895	8.2%	4,723
Hackensack	On- & Off-Sale	---	300	1,758,383	1,232,878	525,505	515,445	29.3%	10,060	10,905	1,368	19,597	1.1%	---
Long Prairie	Off-Sale Only	---	3,727	2,033,804	1,551,097	482,707	302,395	14.9%	180,312	3,894	---	184,206	9.1%	114,000
Longville	On- & Off-Sale	---	152	2,245,943	1,356,242	889,701	591,792	26.3%	297,909	237	---	298,146	13.3%	---
Menahga	On- & Off-Sale	---	1,353	1,141,273	712,382	428,891	321,013	28.1%	107,878	2,946	---	110,824	9.7%	65,000
Nisswa	On- & Off-Sale	---	2,121	5,306,132	3,509,556	1,796,576	1,432,918	27.0%	363,658	3,134	20,945	345,847	6.5%	265,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 12

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating Expenses ($)	Operating Expenses as a Percent of Sales	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
Randall	On- & Off-Sale	---	608	829,605	533,704	295,901	247,282	29.8%	48,619	42,009	---	90,628	10.9%	---
Remer	On- & Off-Sale	---	399	997,648	646,609	351,039	427,135	42.8%	(76,096)	528	---	(75,568)	-7.6%	6,000
Sebeka	On- & Off-Sale	---	739	527,219	296,514	230,705	246,707	46.8%	(16,002)	---	93	(16,095)	-3.1%	---
Verndale	On- & Off-Sale	---	504	404,408	188,604	215,804	157,724	39.0%	58,080	84	---	58,164	14.4%	---
Wadena	Off-Sale Only	---	4,311	2,708,999	1,994,869	714,130	361,663	13.4%	352,467	(16,020)	---	336,447	12.4%	120,000
Walker	Off-Sale Only	---	975	1,098,935	799,961	298,974	254,869	23.2%	44,105	1,662	---	45,767	4.2%	71,912
Total for Region			**17,687**	**$21,286,257**	**$14,033,762**	**$7,252,495**	**$5,865,634**	**27.6%**	**$1,386,861**	**$125,027**	**$32,722**	**$1,479,166**	**6.9%**	**$667,099**
Percent of Total MLS Operations			**1.8%**	**4.9%**	**4.6%**	**5.8%**	**6.0%**		**5.0%**	**20.7%**	**2.5%**	**5.4%**		**2.9%**
6E - Southwest Central														
Buffalo Lake	On- & Off-Sale	---	660	503,225	282,946	220,279	262,489	52.2%	(42,210)	40,695	---	(1,515)	-0.3%	---
Darwin	Off-Sale Only	---	350	795,132	631,496	163,636	127,416	16.0%	36,220	208,129	---	244,349	30.7%	---
Dassel	Off-Sale Only	---	1,505	1,330,688	1,056,973	273,715	259,390	19.5%	14,325	17,566	22,548	9,343	0.7%	---
Glencoe	Off-Sale Only	---	5,832	2,459,578	1,822,104	637,474	385,348	15.7%	252,126	206	12,459	239,873	9.8%	220,000
Hutchinson	Off-Sale Only	---	15,037	7,316,938	5,656,007	1,660,931	1,209,000	16.5%	451,931	995	---	452,926	6.2%	550,000
Litchfield	Off-Sale Only	---	6,718	3,159,403	2,368,396	791,007	444,956	14.1%	346,051	3,674	---	349,725	11.1%	354,412
Olivia	Off-Sale Only	---	2,347	1,146,327	852,600	293,727	289,507	25.3%	4,220	(16,189)	---	(11,969)	-1.0%	---
Sacred Heart	On- & Off-Sale	---	507	645,287	386,890	258,397	309,630	48.0%	(51,233)	24,238	408	(27,403)	-4.2%	---
Silver Lake	On- & Off-Sale	---	884	597,862	317,474	280,388	300,704	50.3%	(20,316)	25,010	1,837	2,857	0.5%	5,000
Total for Region			**33,840**	**$17,954,440**	**$13,374,886**	**$4,579,554**	**$3,588,440**	**20.0%**	**$991,114**	**$304,324**	**$37,252**	**$1,258,186**	**7.0%**	**$1,129,412**
Percent of Total MLS Operations			**3.4%**	**4.2%**	**4.4%**	**3.6%**	**3.7%**		**3.5%**	**50.3%**	**2.9%**	**4.6%**		**4.9%**
6W - Upper Southwest														
Appleton	Off-Sale Only	---	1,425	618,969	443,255	175,714	156,476	25.3%	19,238	---	66	19,172	3.1%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 12

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating Expenses ($)	Operating Expenses as a Percent of Sales	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
Benson	On- & Off-Sale	---	3,562	1,412,232	960,634	451,598	423,577	30.0%	28,021	45,585	---	73,606	5.2%	80,000
Boyd	On- & Off-Sale	---	141	606,074	352,438	253,636	263,949	43.6%	(10,313)	38,209	14,998	12,898	2.1%	---
Dawson	Off-Sale Only	---	1,464	537,427	378,763	158,664	134,870	25.1%	23,794	(980)	---	22,814	4.2%	---
De Graff	On- & Off-Sale	---	111	434,682	245,005	189,677	282,448	65.0%	(92,771)	54,714	678	(38,735)	-8.9%	(33,424)
Granite Falls	Off-Sale Only	---	2,673	1,452,238	1,097,138	355,100	243,288	16.8%	111,812	5,631	---	117,443	8.1%	100,000
Hanley Falls	On- & Off-Sale	---	233	220,429	118,115	102,314	117,206	53.2%	(14,892)	9,487	1,172	(6,577)	-3.0%	---
Madison	Off-Sale Only	---	1,518	487,176	355,267	131,909	100,964	20.7%	30,945	---	---	30,945	6.4%	20,000
Montevideo	Off-Sale Only	---	5,513	2,690,596	1,984,398	706,198	521,251	19.4%	184,947	3,704	536	188,115	7.0%	205,000
Total for Region			**16,640**	**$8,459,823**	**$5,935,013**	**$2,524,810**	**$2,244,029**	**26.5%**	**$280,781**	**$156,350**	**$17,450**	**$419,681**	**5.0%**	**$371,576**
Percent of Total MLS Operations			**1.7%**	**2.0%**	**1.9%**	**2.0%**	**2.3%**		**1.0%**	**25.9%**	**1.4%**	**1.5%**		**1.6%**
7E - East Central														
Braham	Off-Sale Only	---	1,784	1,833,303	1,384,437	448,866	455,491	24.8%	(6,625)	17,384	---	10,759	0.6%	60,000
Cambridge	Off-Sale Only	---	10,541	6,650,664	4,953,842	1,696,822	972,650	14.6%	724,172	(5,586)	---	718,586	10.8%	725,000
Finlayson	On- & Off-Sale	---	310	994,714	464,504	530,210	417,385	42.0%	112,825	123	4,819	108,129	10.9%	---
Foreston	On- & Off-Sale	---	571	462,369	199,905	262,464	242,079	52.4%	20,385	22,403	---	42,788	9.3%	28,612
Hinckley	On- & Off-Sale	---	1,964	3,248,105	2,270,584	977,521	726,557	22.4%	250,964	(3,925)	1,581	245,458	7.6%	280,000
Isanti	Off-Sale Only	---	7,218	5,226,928	3,737,028	1,489,900	748,878	14.3%	741,022	(927)	57,639	682,456	13.1%	350,000
Isle	On- & Off-Sale	---	827	994,514	748,442	246,072	251,097	25.2%	(5,025)	19,575	---	14,550	1.5%	12,000
Lindstrom	On- & Off-Sale	---	5,019	3,012,702	2,128,290	884,412	879,353	29.2%	5,059	57,061	---	62,120	2.1%	191,330
Milaca	Off-Sale Only	---	3,063	2,946,734	2,235,019	711,715	633,990	21.5%	77,725	9,564	---	87,289	3.0%	225,000
Mora	Off-Sale Only	---	3,729	4,414,982	3,300,852	1,114,130	611,222	13.8%	502,908	10,721	26,000	487,629	11.0%	301,000
North Branch	Off-Sale Only	---	11,756	3,839,269	2,797,680	1,041,589	947,054	24.7%	94,535	21	---	94,556	2.5%	94,556

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 12

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating Expenses ($)	Operating Expenses as a Percent of Sales	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
Ogilvie	On- & Off-Sale	---	390	866,522	491,109	375,413	329,290	38.0%	46,123	300	---	46,423	5.4%	7,000
Pine City	Off-Sale Only	---	3,458	2,388,535	1,703,813	684,722	507,844	21.3%	176,878	(303)	---	176,575	7.4%	185,000
Princeton	Off-Sale Only	---	5,425	5,714,281	4,267,865	1,446,416	622,521	10.9%	823,895	(85,844)	---	738,051	12.9%	35,872
Stacy	On- & Off-Sale	---	1,726	3,868,751	2,693,392	1,175,359	1,173,752	30.3%	1,607	75,827	18,143	59,291	1.5%	175,000
Total for Region			**57,781**	**$46,462,373**	**$33,376,762**	**$13,085,611**	**$9,519,163**	**20.5%**	**$3,566,448**	**$116,394**	**$108,182**	**$3,574,660**	**7.7%**	**$2,670,370**
Percent of Total MLS Operations			**5.8%**	**10.7%**	**10.9%**	**10.4%**	**9.7%**		**12.7%**	**19.2%**	**8.4%**	**13.1%**		**11.6%**
7W - Central														
Big Lake	Off-Sale Only	---	12,492	5,623,585	4,092,018	1,531,567	915,941	16.3%	615,626	32,633	6,200	642,059	11.4%	450,000
Buffalo	Off-Sale Only	---	16,884	7,071,931	5,158,699	1,913,232	1,373,796	19.4%	539,436	68,851	35	608,252	8.6%	475,000
Delano	Off-Sale Only	---	7,023	3,802,905	2,731,221	1,071,684	770,979	20.3%	300,705	(13,162)	7,670	279,873	7.4%	674,009
Elk River	Off-Sale Only	---	27,001	8,531,414	6,191,510	2,339,904	1,593,173	18.7%	746,731	(489,851)	344	256,536	3.0%	1,000,000
Gilman	On- & Off-Sale	---	219	474,806	207,957	266,849	260,793	54.9%	6,056	49,982	---	56,038	11.8%	---
Holdingford	On- & Off-Sale	---	749	371,965	195,376	176,589	183,864	49.4%	(7,275)	6,747	---	(528)	-0.1%	---
Howard Lake	On- & Off-Sale	---	2,173	1,007,849	755,607	252,242	235,983	23.4%	16,259	613	741	16,131	1.6%	---
Maple Lake	Off-Sale Only	---	2,240	2,322,917	1,772,401	550,516	483,454	20.8%	67,062	14,424	201	81,285	3.5%	50,000
Monticello	Off-Sale Only	---	15,087	7,174,059	5,256,029	1,918,030	1,058,027	14.7%	860,003	(82,243)	---	777,760	10.8%	---
Paynesville	Off-Sale Only	---	2,578	1,926,006	1,504,539	421,467	401,446	20.8%	20,021	(4,144)	1,350	14,527	0.8%	40,000
Sauk Rapids	Off-Sale Only	---	13,559	3,711,456	2,827,475	883,981	657,930	17.7%	226,051	(115,440)	176,857	(66,246)	-1.8%	135,000
Waverly	On- & Off-Sale	---	2,116	1,076,795	732,551	344,244	350,987	32.6%	(6,743)	---	42	(6,785)	-0.6%	---
Total for Region			**102,121**	**$43,095,688**	**$31,425,383**	**$11,670,305**	**$8,286,373**	**19.2%**	**$3,383,932**	**($531,590)**	**$193,440**	**$2,658,902**	**6.2%**	**$2,824,009**
Percent of Total MLS Operations			**10.3%**	**10.0%**	**10.3%**	**9.3%**	**8.5%**		**12.1%**	**-87.9%**	**15.1%**	**9.7%**		**12.3%**

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 12

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating Expenses ($)	Operating Expenses as a Percent of Sales	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
8 - Southwest														
Avoca	On- & Off-Sale	---	114	240,048	100,425	139,623	124,979	52.1%	14,644	22,845	3,485	34,004	14.2%	27,668
Balaton	On- & Off-Sale	---	593	387,149	257,444	129,705	136,331	35.2%	(6,626)	5,240	---	(1,386)	-0.4%	1
Hadley	On- & Off-Sale	---	56	346,001	129,933	216,068	142,470	41.2%	73,598	8,515	3,003	79,110	22.9%	76,836
Heron Lake	On- & Off-Sale	---	608	386,150	205,543	180,607	158,773	41.1%	21,834	703	---	22,537	5.8%	---
Jackson	Off-Sale Only	---	3,360	1,619,316	1,177,854	441,462	335,176	20.7%	106,286	2,647	17,727	91,206	5.6%	56,000
Lakefield	Off-Sale Only	---	1,762	627,574	476,124	151,450	134,084	21.4%	17,366	2,881	---	20,247	3.2%	6,000
Luverne	Off-Sale Only	---	5,033	1,823,362	1,390,434	432,928	431,472	23.7%	1,456	(24,194)	---	(22,738)	-1.2%	45,000
Marshall	Off-Sale Only	---	13,811	7,078,147	5,070,369	2,007,778	1,054,632	14.9%	953,146	(7,654)	56,078	889,414	12.6%	575,000
Okabena	On- & Off-Sale	---	208	351,601	193,862	157,739	155,180	44.1%	2,559	---	---	2,559	0.7%	---
Pipestone	Off-Sale Only	---	4,106	1,909,041	1,413,628	495,413	324,195	17.0%	171,218	1,642	---	172,860	9.1%	191,317
Redwood Falls	Off-Sale Only	---	5,078	2,642,259	1,957,164	685,095	568,699	21.5%	116,396	(15,753)	3,662	96,981	3.7%	122,165
Russell	On- & Off-Sale	---	348	602,735	306,110	296,625	293,143	48.6%	3,482	9,001	---	12,483	2.1%	---
Tracy	Off-Sale Only	---	2,070	867,284	623,856	243,428	186,403	21.5%	57,025	6,383	---	63,408	7.3%	97,465
Walnut Grove	On- & Off-Sale	---	744	523,868	266,568	257,300	273,400	52.2%	(16,100)	2,050	7,831	(21,881)	-4.2%	---
Windom	Off-Sale Only	---	4,966	2,412,277	1,790,193	622,084	500,013	20.7%	122,071	1,286	---	123,357	5.1%	100,000
Worthington	Off-Sale Only	---	14,052	5,221,873	3,874,946	1,346,927	914,957	17.5%	431,970	(14,323)	16,125	401,522	7.7%	275,000
Total for Region			**56,909**	**$27,038,685**	**$19,234,453**	**$7,804,232**	**$5,733,907**	**21.2%**	**$2,070,325**	**$1,269**	**$107,911**	**$1,963,683**	**7.3%**	**$1,572,452**
Percent of Total MLS Operations			**5.7%**	**6.3%**	**6.3%**	**6.2%**	**5.8%**		**7.4%**	**0.2%**	**8.4%**	**7.2%**		**6.9%**
9 - South Central														
Blue Earth	Off-Sale Only	---	3,130	1,834,369	1,373,524	460,845	413,813	22.6%	47,032	10,592	---	57,624	3.1%	100,000
Butterfield	Off-Sale Only	---	601	184,824	148,923	35,901	87,829	47.5%	(51,928)	1,186	---	(50,742)	-27.5%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 12

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating Expenses ($)	Operating Expenses as a Percent of Sales	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
Cleveland	On- & Off-Sale	---	801	293,732	178,510	115,222	158,962	54.1%	(43,740)	55,097	---	11,357	3.9%	---
Elmore	Off-Sale Only	---	536	100,245	72,853	27,392	35,776	35.7%	(8,384)	---	---	(8,384)	-8.4%	---
Fairmont	Off-Sale Only	---	10,549	4,539,324	3,245,750	1,293,574	653,037	14.4%	640,537	(89,199)	---	551,338	12.1%	376,550
Hanska	On- & Off-Sale	---	381	98,753	56,944	41,809	68,312	69.2%	(26,503)	3,176	414	(23,741)	-24.0%	4,640
Kiester	Off-Sale Only	---	479	217,273	159,382	57,891	58,759	27.0%	(868)	4,394	500	3,026	1.4%	---
Le Center	On- & Off-Sale	---	2,544	1,162,232	764,833	397,399	374,706	32.2%	22,693	74,240	---	96,933	8.3%	60,000
Lewisville	On- & Off-Sale	---	212	235,685	140,697	94,988	115,100	48.8%	(20,112)	42,365	---	22,253	9.4%	---
Madelia	Off-Sale Only	---	2,409	761,833	569,136	192,697	157,308	20.6%	35,389	1,387	---	36,776	4.8%	20,000
Mapleton	On- & Off-Sale	---	1,725	644,137	383,069	261,068	255,964	39.7%	5,104	68,238	---	73,342	11.4%	20,500
Saint James	Off-Sale Only	---	4,788	1,139,775	758,538	381,237	293,573	25.8%	87,664	10,935	---	98,599	8.7%	189,042
Sherburn	On- & Off-Sale	---	1,063	997,964	612,199	385,765	419,770	42.1%	(34,005)	40,216	---	6,211	0.6%	---
Wells	Off-Sale Only	---	2,373	1,145,758	865,730	280,028	216,517	18.9%	63,511	3,264	12,368	54,407	4.7%	---
Total for Region			**31,591**	**$13,355,904**	**$9,330,088**	**$4,025,816**	**$3,309,426**	**24.8%**	**$716,390**	**$225,891**	**$13,282**	**$928,999**	**7.0%**	**$770,732**
Percent of Total MLS Operations			**3.2%**	**3.1%**	**3.0%**	**3.2%**	**3.4%**		**2.6%**	**37.4%**	**1.0%**	**3.4%**		**3.4%**
10 - Southeast														
Caledonia	Off-Sale Only	---	2,895	1,005,971	767,486	238,485	210,318	20.9%	28,167	638	---	28,805	2.9%	25,000
Kasson	Off-Sale Only	---	7,115	1,684,032	1,319,660	364,372	281,611	16.7%	82,761	---	8,035	74,726	4.4%	16,000
Kenyon	On- & Off-Sale	---	1,960	816,360	548,899	267,461	249,722	30.6%	17,739	54,642	---	72,381	8.9%	40,000
Lonsdale	Off-Sale Only	---	4,933	1,947,646	1,520,588	427,058	292,906	15.0%	134,152	940	---	135,092	6.9%	38,463
Mazeppa	On- & Off-Sale	---	894	661,451	368,159	293,292	303,182	45.8%	(9,890)	60,051	761	49,400	7.5%	(3,828)
Medford	On- & Off-Sale	---	1,383	386,007	192,950	193,057	190,701	49.4%	2,356	31,461	---	33,817	8.8%	---
Northfield	Off-Sale Only	---	21,109	2,797,955	2,032,144	765,811	672,620	24.0%	93,191	(33,110)	---	60,081	2.1%	50,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 12

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating Expenses ($)	Operating Expenses as a Percent of Sales	Operating Income/(Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers* ($)
Spring Grove	On- & Off-Sale	---	1,265	430,611	303,504	127,107	169,031	39.3%	(41,924)	6,085	---	(35,839)	-8.3%	---
West Concord	On- & Off-Sale	---	869	253,654	137,416	116,238	140,184	55.3%	(23,946)	50,348	---	26,402	10.4%	---
Total for Region			**42,423**	**$9,983,687**	**$7,190,806**	**$2,792,881**	**$2,510,275**	**25.1%**	**$282,606**	**$171,055**	**$8,796**	**$444,865**	**4.5%**	**$165,635**
Percent of Total MLS Operations			**4.3%**	**2.3%**	**2.3%**	**2.2%**	**2.6%**		**1.0%**	**28.3%**	**0.7%**	**1.6%**		**0.7%**
11 - 7-County Metro Area														
Anoka	Off-Sale Only	---	18,127	3,531,627	2,624,248	907,379	1,097,899	31.1%	(190,520)	7,665	---	(182,855)	-5.2%	240,000
Apple Valley	Off-Sale Only	---	55,673	10,882,866	7,630,825	3,252,041	2,320,251	21.3%	931,790	(128,495)	12,938	790,357	7.3%	850,000
Brooklyn Center	Off-Sale Only	---	33,938	6,909,980	5,108,499	1,801,481	1,790,242	25.9%	11,239	(3,716)	66,759	(59,236)	-0.9%	---
Columbia Heights	Off-Sale Only	---	21,592	9,338,869	7,025,816	2,313,053	2,007,369	21.5%	305,684	(17,066)	43,582	245,036	2.6%	378,850
Eden Prairie	Off-Sale Only	---	64,023	12,067,226	8,450,887	3,616,339	2,591,577	21.5%	1,024,762	(40,588)	45,050	939,124	7.8%	800,000
Edina	Off-Sale Only	---	54,048	14,427,474	10,010,262	4,417,212	3,723,521	25.8%	693,691	(69,456)	---	624,235	4.3%	995,327
Farmington	Off-Sale Only	---	23,719	6,387,611	4,728,067	1,659,544	1,212,002	19.0%	447,542	(38,575)	37,334	371,633	5.8%	142,966
Fridley	Off-Sale Only	---	29,962	6,521,618	4,713,669	1,807,949	1,307,853	20.1%	500,096	(31,031)	43,707	425,358	6.5%	338,500
Lakeville	Off-Sale Only	---	73,828	21,894,980	16,008,561	5,886,419	4,533,001	20.7%	1,353,418	(167,094)	69,799	1,116,525	5.1%	1,295,451
Lexington	Off-Sale Only	---	2,738	3,543,896	2,609,098	934,798	717,632	20.2%	217,166	3,091	---	220,257	6.2%	275,000
Mound	Off-Sale Only	---	9,284	3,820,758	2,721,381	1,099,377	688,608	18.0%	410,769	7,929	---	418,698	11.0%	250,000
Richfield	Off-Sale Only	---	36,543	14,200,736	10,659,157	3,541,579	2,565,546	18.1%	976,033	25,604	---	1,001,637	7.1%	834,530
Robbinsdale	Off-Sale Only	---	14,986	4,272,044	3,092,802	1,179,242	1,103,586	25.8%	75,656	(63,867)	63,884	(52,095)	-1.2%	200,000
Rogers	On- & Off-Sale	---	14,430	4,404,750	3,005,016	1,399,734	1,092,473	24.8%	307,261	39,565	71	346,755	7.9%	242,466
Saint Anthony	Off-Sale Only	---	9,060	7,040,797	5,212,277	1,828,520	1,351,817	19.2%	476,703	(26,858)	---	449,845	6.4%	275,000
Saint Francis	Off-Sale Only	---	8,306	2,937,081	2,211,211	725,870	726,267	24.7%	(397)	(24,175)	---	(24,572)	-0.8%	60,000
Savage	Off-Sale Only	---	33,137	6,948,251	5,012,280	1,935,971	1,467,439	21.1%	468,532	60,288	---	528,820	7.6%	240,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 12

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating: Expenses ($)	Operating: Expenses as a Percent of Sales	Operating: Income/(Loss) ($)	Nonoperating: Revenues ($)	Nonoperating: Expenses ($)	Net Profit/(Loss): Amount ($)	Net Profit/(Loss): Percent of Sales	Net Transfers* ($)
Wayzata	On- & Off-Sale	---	4,437	6,918,956	3,483,017	3,435,939	3,340,417	48.3%	95,522	29,837	89,370	35,989	0.5%	602,730
Total for Region			**507,831**	**$146,049,520**	**$104,307,073**	**$41,742,447**	**$33,637,500**	**23.0%**	**$8,104,947**	**($436,942)**	**$472,494**	**$7,195,511**	**4.9%**	**$8,020,820**
Percent of Total MLS Operations			**51.0%**	**33.8%**	**34.1%**	**33.1%**	**34.3%**		**29.0%**	**-72.3%**	**36.8%**	**26.3%**		**35.0%**
Off-Sale Only			**909,819**	**$351,979,527**	**$257,737,484**	**$94,242,043**	**$68,573,672**	**19.5%**	**$25,668,371**	**($1,040,889)**	**$1,090,878**	**$23,536,604**	**6.7%**	**$20,033,889**
On- & Off-Sale			**85,902**	**$80,258,299**	**$48,453,655**	**$31,804,644**	**$29,481,290**	**36.7%**	**$2,323,354**	**$1,645,611**	**$193,937**	**$3,775,028**	**4.7%**	**$2,899,027**
All Stores			**995,721**	**$432,237,826**	**$306,191,139**	**$126,046,687**	**$98,054,962**	**22.7%**	**$27,991,725**	**$604,722**	**$1,284,815**	**$27,311,632**	**6.3%**	**$22,932,916**

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 13

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Ranked by Net Profit/(Loss) as a Percent of Sales by Type of Establishment

Rank	Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating: Expenses ($)	Operating: Expenses as a Percent of Sales	Operating: Income/ (Loss) ($)	Nonoperating: Revenues ($)	Nonoperating: Expenses ($)	Net Profit/(Loss): Amount ($)	Net Profit/(Loss): Percent of Sales	Net Transfers*($)
	1 - Northwest														
1	Roseau	Off-Sale Only	---	2,850	2,233,257	1,629,876	603,381	320,218	14.3%	283,163	804	---	283,967	12.7%	200,000
2	Warroad	Off-Sale Only	---	1,857	2,033,888	1,482,486	551,402	351,058	17.3%	200,344	---	---	200,344	9.9%	85,000
3	Thief River Falls	Off-Sale Only	---	9,058	5,078,482	3,934,138	1,144,344	883,735	17.4%	260,609	462	---	261,071	5.1%	431,307
4	Ada	Off-Sale Only	---	1,773	623,943	453,503	170,440	171,948	27.6%	(1,508)	---	---	(1,508)	-0.2%	---
1	Mentor	On- & Off-Sale	---	104	531,643	247,701	283,942	229,242	43.1%	54,700	6,197	---	60,897	11.5%	42,000
2	Goodridge	On- & Off-Sale	---	102	445,244	230,456	214,788	183,141	41.1%	31,647	---	---	31,647	7.1%	20,000
3	Twin Valley	On- & Off-Sale	---	727	679,290	380,227	299,063	284,435	41.9%	14,628	2,264	---	16,892	2.5%	2,500
4	Lancaster	On- & Off-Sale	---	386	359,627	171,517	188,110	180,804	50.3%	7,306	375	---	7,681	2.1%	30,000
	Total for Region			**16,857**	**$11,985,374**	**$8,529,904**	**$3,455,470**	**$2,604,581**	**21.7%**	**$850,889**	**$10,102**	**$---**	**$860,991**	**7.2%**	**$810,807**
	Percent of Total MLS Operations			**1.7%**	**2.8%**	**2.8%**	**2.7%**	**2.7%**		**3.0%**	**1.7%**	**---**	**3.2%**		**3.5%**
	2 - Headwaters														
1	Bemidji	Off-Sale Only	---	15,947	8,366,668	5,740,598	2,626,070	1,875,021	22.4%	751,049	15,804	118,297	648,556	7.8%	774,499
2	Bagley	Off-Sale Only	---	1,299	1,761,193	1,314,532	446,661	338,529	19.2%	108,132	816	18,459	90,489	5.1%	---
3	Park Rapids	Off-Sale Only	---	4,298	3,489,995	2,593,495	896,500	723,130	20.7%	173,370	5,448	24,504	154,314	4.4%	---
1	Baudette	On- & Off-Sale	---	976	1,966,633	1,198,987	767,646	498,206	25.3%	269,440	12,106	---	281,546	14.3%	170,000
2	Nevis	On- & Off-Sale	---	392	901,352	486,547	414,805	340,702	37.8%	74,103	29,170	---	103,273	11.5%	35,000
3	Kelliher	On- & Off-Sale	---	265	743,422	436,292	307,130	250,546	33.7%	56,584	3,058	---	59,642	8.0%	20,000
4	Akeley	On- & Off-Sale	---	426	488,961	226,495	262,466	241,411	49.4%	21,055	1,888	---	22,943	4.7%	13,532
5	Mahnomen	On- & Off-Sale	---	1,233	1,468,593	931,139	537,454	529,481	36.1%	7,973	40,753	---	48,726	3.3%	---
6	Blackduck	On- & Off-Sale	---	844	1,638,505	951,968	686,537	789,017	48.2%	(102,480)	17,398	11,337	(96,419)	-5.9%	27,500

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 13

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Ranked by Net Profit/(Loss) as a Percent of Sales by Type of Establishment

Rank	Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating Expenses ($)	Operating Expenses as a Percent of Sales	Operating Income/ (Loss) ($)	Nonoperating Revenues ($)	Nonoperating Expenses ($)	Net Profit/(Loss) Amount ($)	Net Profit/(Loss) Percent of Sales	Net Transfers*($)
	Total for Region			**25,680**	**$20,825,322**	**$13,880,053**	**$6,945,269**	**$5,586,043**	**26.8%**	**$1,359,226**	**$126,441**	**$172,597**	**$1,313,070**	**6.3%**	**$1,040,531**
	Percent of Total MLS Operations			**2.6%**	**4.8%**	**4.5%**	**5.5%**	**5.7%**		**4.9%**	**20.9%**	**13.4%**	**4.8%**		**4.5%**
	3 - Arrowhead														
1	Grand Marais	Off-Sale Only	---	1,344	2,355,091	1,658,128	696,963	466,149	19.8%	230,814	5,829	---	236,643	10.0%	200,004
2	Two Harbors	Off-Sale Only	---	3,698	3,002,214	2,201,838	800,376	553,146	18.4%	247,230	7,114	---	254,344	8.5%	259
3	Cook	Off-Sale Only	---	537	1,564,491	1,164,197	400,294	304,513	19.5%	95,781	1,706	---	97,487	6.2%	---
4	Aitkin	Off-Sale Only	---	2,266	1,538,130	1,203,859	334,271	309,466	20.1%	24,805	25,086	---	49,891	3.2%	78,000
5	Proctor	Off-Sale Only	---	3,097	1,184,177	866,727	317,450	290,677	24.5%	26,773	4,419	3,687	27,505	2.3%	5,286
1	Littlefork	On- & Off-Sale	[16][21]	562	214,587	117,026	97,561	67,613	31.5%	29,948	46,697	---	76,645	35.7%	145,965
2	Barnum	On- & Off-Sale	---	631	803,613	415,248	388,365	315,818	39.3%	72,547	37,823	---	110,370	13.7%	---
3	Moose Lake	On- & Off-Sale	---	2,824	1,971,870	1,320,512	651,358	461,954	23.4%	189,404	---	---	189,404	9.6%	---
4	Cromwell	On- & Off-Sale	---	253	421,061	170,375	250,686	233,476	55.4%	17,210	16,692	---	33,902	8.1%	40,961
5	Ranier	On- & Off-Sale	---	565	507,648	198,156	309,492	291,307	57.4%	18,185	21,860	---	40,045	7.9%	20,000
6	Silver Bay	On- & Off-Sale	---	1,895	1,226,314	696,978	529,336	461,777	37.7%	67,559	1,522	524	68,557	5.6%	---
7	Big Falls	On- & Off-Sale	---	192	377,299	171,607	205,692	198,254	52.5%	7,438	668	---	8,106	2.1%	5,000
8	Palisade	On- & Off-Sale	---	166	187,404	104,421	82,983	92,158	49.2%	(9,175)	12,433	---	3,258	1.7%	---
9	Orr	On- & Off-Sale	---	209	694,825	393,987	300,838	291,472	41.9%	9,366	1,893	---	11,259	1.6%	21,801
10	Northome	On- & Off-Sale	---	162	351,035	192,160	158,875	156,135	44.5%	2,740	9	---	2,749	0.8%	---
11	Beaver Bay	On- & Off-Sale	---	126	632,537	427,677	204,860	252,109	39.9%	(47,249)	36,651	---	(10,598)	-1.7%	---
	Total for Region			**18,527**	**$17,032,296**	**$11,302,896**	**$5,729,400**	**$4,746,024**	**27.9%**	**$983,376**	**$220,402**	**$4,211**	**$1,199,567**	**7.0%**	**$517,276**
	Percent of Total MLS Operations			**1.9%**	**3.9%**	**3.7%**	**4.5%**	**4.8%**		**3.5%**	**36.4%**	**0.3%**	**4.4%**		**2.3%**
	4 - West Central														

58

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 13

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Ranked by Net Profit/(Loss) as a Percent of Sales by Type of Establishment

								Operating			Nonoperating		Net Profit/(Loss)		
Rank	Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Expenses ($)	Expenses as a Percent of Sales	Income/ (Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers*($)
1	Perham	Off-Sale Only	---	3,605	4,410,460	3,138,058	1,272,402	694,636	15.7%	577,766	30,626	1,250	607,142	13.8%	314,050
2	Fergus Falls	Off-Sale Only	---	14,085	7,310,030	4,976,220	2,333,810	1,319,097	18.0%	1,014,713	(56,199)	---	958,514	13.1%	675,189
3	Pelican Rapids	Off-Sale Only	---	2,560	1,608,918	1,122,025	486,893	320,865	19.9%	166,028	3,053	---	169,081	10.5%	141,156
4	Glenwood	Off-Sale Only	---	2,705	1,764,924	1,303,924	461,000	284,699	16.1%	176,301	5,288	---	181,589	10.3%	60,000
5	Detroit Lakes	Off-Sale Only	---	10,119	8,916,748	6,498,162	2,418,586	1,383,229	15.5%	1,035,357	(55,038)	86,537	893,782	10.0%	609,795
6	Morris	Off-Sale Only	---	4,961	2,466,639	1,869,584	597,055	414,049	16.8%	183,006	16,793	---	199,799	8.1%	53,883
7	Battle Lake	Off-Sale Only	---	857	2,037,629	1,493,718	543,911	393,263	19.3%	150,648	2,791	11,690	141,749	7.0%	55,000
8	Alexandria	Off-Sale Only	---	15,263	7,973,675	6,034,273	1,939,402	1,396,436	17.5%	542,966	5,689	1,193	547,462	6.9%	286,074
9	Barnesville	Off-Sale Only	---	2,858	1,103,319	804,116	299,203	255,205	23.1%	43,998	4,615	10,266	38,347	3.5%	---
10	Hawley	Off-Sale Only	---	2,353	1,514,063	1,104,033	410,030	355,233	23.5%	54,797	165	5,542	49,420	3.3%	25,000
11	Vergas	Off-Sale Only	---	343	826,212	632,524	193,688	201,634	24.4%	(7,946)	510	---	(7,436)	-0.9%	25,000
12	Underwood	Off-Sale Only	---	359	791,412	607,654	183,758	205,490	26.0%	(21,732)	7,250	---	(14,482)	-1.8%	---
13	Elizabeth	Off-Sale Only	---	166	474,542	381,068	93,474	118,736	25.0%	(25,262)	---	---	(25,262)	-5.3%	---
14	Dalton	Off-Sale Only	---	209	248,296	194,674	53,622	69,413	28.0%	(15,791)	112	---	(15,679)	-6.3%	---
1	Callaway	On- & Off-Sale	---	197	530,140	280,968	249,172	161,611	30.5%	87,561	1,016	---	88,577	16.7%	9,000
2	Ogema	On- & Off-Sale	[0]	207	438,496	204,687	233,809	167,761	38.3%	66,048	3,641	---	69,689	15.9%	2,000
3	Wolf Lake	On- & Off-Sale	---	70	263,494	131,091	132,403	111,440	42.3%	20,963	16,397	---	37,360	14.2%	20,600
4	Frazee	On- & Off-Sale	---	1,338	609,746	383,088	226,658	218,303	35.8%	8,355	56,866	---	65,221	10.7%	---
5	Miltona	On- & Off-Sale	---	447	787,403	432,411	354,992	294,048	37.3%	60,944	---	---	60,944	7.7%	41,692
6	New York Mills	On- & Off-Sale	---	1,287	835,576	526,549	309,027	268,753	32.2%	40,274	9,528	---	49,802	6.0%	17,100
7	Brandon	On- & Off-Sale	---	510	627,320	354,457	272,863	241,993	38.6%	30,870	3,623	---	34,493	5.5%	11,776
8	Millerville	On- & Off-Sale	---	101	328,457	178,935	149,522	136,952	41.7%	12,570	1,287	---	13,857	4.2%	---
9	Hitterdal	On- & Off-Sale	---	217	526,484	301,731	224,753	203,182	38.6%	21,571	---	---	21,571	4.1%	(246)

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 13

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Ranked by Net Profit/(Loss) as a Percent of Sales by Type of Establishment

Rank	Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating: Expenses ($)	Operating: Expenses as a Percent of Sales	Operating: Income/ (Loss) ($)	Nonoperating: Revenues ($)	Nonoperating: Expenses ($)	Net Profit/(Loss): Amount ($)	Net Profit/(Loss): Percent of Sales	Net Transfers*($)
10	Osakis	On- & Off-Sale	---	1,808	917,236	593,597	323,639	359,741	39.2%	(36,102)	57,530	---	21,428	2.3%	25,128
11	Ulen	On- & Off-Sale	---	493	446,740	212,071	234,669	233,361	52.2%	1,308	133	---	1,441	0.3%	---
12	Lake Park	On- & Off-Sale	---	716	950,498	510,442	440,056	614,437	64.6%	(174,381)	323	---	(174,058)	-18.3%	---
	Total for Region			**67,834**	**$48,708,457**	**$34,270,060**	**$14,438,397**	**$10,423,567**	**21.4%**	**$4,014,830**	**$115,999**	**$116,478**	**$4,014,351**	**8.2%**	**$2,372,197**
	Percent of Total MLS Operations			**6.8%**	**11.3%**	**11.2%**	**11.5%**	**10.6%**		**14.3%**	**19.2%**	**9.1%**	**14.7%**		**10.3%**
	5 - North Central														
1	Wadena	Off-Sale Only	---	4,311	2,708,999	1,994,869	714,130	361,663	13.4%	352,467	(16,020)	---	336,447	12.4%	120,000
2	Long Prairie	Off-Sale Only	---	3,727	2,033,804	1,551,097	482,707	302,395	14.9%	180,312	3,894	---	184,206	9.1%	114,000
3	Walker	Off-Sale Only	---	975	1,098,935	799,961	298,974	254,869	23.2%	44,105	1,662	---	45,767	4.2%	71,912
1	Verndale	On- & Off-Sale	---	504	404,408	188,604	215,804	157,724	39.0%	58,080	84	---	58,164	14.4%	---
2	Longville	On- & Off-Sale	---	152	2,245,943	1,356,242	889,701	591,792	26.3%	297,909	237	---	298,146	13.3%	---
3	Randall	On- & Off-Sale	---	608	829,605	533,704	295,901	247,282	29.8%	48,619	42,009	---	90,628	10.9%	---
4	Menahga	On- & Off-Sale	---	1,353	1,141,273	712,382	428,891	321,013	28.1%	107,878	2,946	---	110,824	9.7%	65,000
5	Fifty Lakes	On- & Off-Sale	---	460	874,663	424,887	449,776	377,881	43.2%	71,895	---	---	71,895	8.2%	4,723
6	Nisswa	On- & Off-Sale	---	2,121	5,306,132	3,509,556	1,796,576	1,432,918	27.0%	363,658	3,134	20,945	345,847	6.5%	265,000
7	Browerville	On- & Off-Sale	---	834	582,081	355,874	226,207	253,174	43.5%	(26,967)	41,144	182	13,995	2.4%	10,800
8	Hackensack	On- & Off-Sale	---	300	1,758,383	1,232,878	525,505	515,445	29.3%	10,060	10,905	1,368	19,597	1.1%	---
9	Eagle Bend	On- & Off-Sale	---	542	276,382	147,623	128,759	159,174	57.6%	(30,415)	30,020	---	(395)	-0.1%	9,664
10	Clarissa	On- & Off-Sale	---	662	500,782	282,962	217,820	216,462	43.2%	1,358	4,484	10,134	(4,292)	-0.9%	---
11	Sebeka	On- & Off-Sale	---	739	527,219	296,514	230,705	246,707	46.8%	(16,002)	---	93	(16,095)	-3.1%	---
12	Remer	On- & Off-Sale	---	399	997,648	646,609	351,039	427,135	42.8%	(76,096)	528	---	(75,568)	-7.6%	6,000
	Total for Region			**17,687**	**$21,286,257**	**$14,033,762**	**$7,252,495**	**$5,865,634**	**27.6%**	**$1,386,861**	**$125,027**	**$32,722**	**$1,479,166**	**6.9%**	**$667,099**

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 13

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Ranked by Net Profit/(Loss) as a Percent of Sales by Type of Establishment

								Operating			Nonoperating		Net Profit/(Loss)		
Rank	Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Expenses ($)	Expenses as a Percent of Sales	Income/ (Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers*($)
	Percent of Total MLS Operations			**1.8%**	**4.9%**	**4.6%**	**5.8%**	**6.0%**		**5.0%**	**20.7%**	**2.5%**	**5.4%**		**2.9%**
	6E - Southwest Central														
1	Darwin	Off-Sale Only	---	350	795,132	631,496	163,636	127,416	16.0%	36,220	208,129	---	244,349	30.7%	---
2	Litchfield	Off-Sale Only	---	6,718	3,159,403	2,368,396	791,007	444,956	14.1%	346,051	3,674	---	349,725	11.1%	354,412
3	Glencoe	Off-Sale Only	---	5,832	2,459,578	1,822,104	637,474	385,348	15.7%	252,126	206	12,459	239,873	9.8%	220,000
4	Hutchinson	Off-Sale Only	---	15,037	7,316,938	5,656,007	1,660,931	1,209,000	16.5%	451,931	995	---	452,926	6.2%	550,000
5	Dassel	Off-Sale Only	---	1,505	1,330,688	1,056,973	273,715	259,390	19.5%	14,325	17,566	22,548	9,343	0.7%	---
6	Olivia	Off-Sale Only	---	2,347	1,146,327	852,600	293,727	289,507	25.3%	4,220	(16,189)	---	(11,969)	-1.0%	---
1	Silver Lake	On- & Off-Sale	---	884	597,862	317,474	280,388	300,704	50.3%	(20,316)	25,010	1,837	2,857	0.5%	5,000
2	Buffalo Lake	On- & Off-Sale	---	660	503,225	282,946	220,279	262,489	52.2%	(42,210)	40,695	---	(1,515)	-0.3%	---
3	Sacred Heart	On- & Off-Sale	---	507	645,287	386,890	258,397	309,630	48.0%	(51,233)	24,238	408	(27,403)	-4.2%	---
	Total for Region			**33,840**	**$17,954,440**	**$13,374,886**	**$4,579,554**	**$3,588,440**	**20.0%**	**$991,114**	**$304,324**	**$37,252**	**$1,258,186**	**7.0%**	**$1,129,412**
	Percent of Total MLS Operations			**3.4%**	**4.2%**	**4.4%**	**3.6%**	**3.7%**		**3.5%**	**50.3%**	**2.9%**	**4.6%**		**4.9%**
	6W - Upper Southwest														
1	Granite Falls	Off-Sale Only	---	2,673	1,452,238	1,097,138	355,100	243,288	16.8%	111,812	5,631	---	117,443	8.1%	100,000
2	Montevideo	Off-Sale Only	---	5,513	2,690,596	1,984,398	706,198	521,251	19.4%	184,947	3,704	536	188,115	7.0%	205,000
3	Madison	Off-Sale Only	---	1,518	487,176	355,267	131,909	100,964	20.7%	30,945	---	---	30,945	6.4%	20,000
4	Dawson	Off-Sale Only	---	1,464	537,427	378,763	158,664	134,870	25.1%	23,794	(980)	---	22,814	4.2%	---
5	Appleton	Off-Sale Only	---	1,425	618,969	443,255	175,714	156,476	25.3%	19,238	---	66	19,172	3.1%	---
1	Benson	On- & Off-Sale	---	3,562	1,412,232	960,634	451,598	423,577	30.0%	28,021	45,585	---	73,606	5.2%	80,000
2	Boyd	On- & Off-Sale	---	141	606,074	352,438	253,636	263,949	43.6%	(10,313)	38,209	14,998	12,898	2.1%	---

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 13

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Ranked by Net Profit/(Loss) as a Percent of Sales by Type of Establishment

Rank	Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Operating: Expenses ($)	Operating: Expenses as a Percent of Sales	Operating: Income/ (Loss) ($)	Nonoperating: Revenues ($)	Nonoperating: Expenses ($)	Net Profit/(Loss): Amount ($)	Net Profit/(Loss): Percent of Sales	Net Transfers*($)
3	Hanley Falls	On- & Off-Sale	---	233	220,429	118,115	102,314	117,206	53.2%	(14,892)	9,487	1,172	(6,577)	-3.0%	---
4	De Graff	On- & Off-Sale	---	111	434,682	245,005	189,677	282,448	65.0%	(92,771)	54,714	678	(38,735)	-8.9%	(33,424)
	Total for Region			**16,640**	**$8,459,823**	**$5,935,013**	**$2,524,810**	**$2,244,029**	**26.5%**	**$280,781**	**$156,350**	**$17,450**	**$419,681**	**5.0%**	**$371,576**
	Percent of Total MLS Operations			**1.7%**	**2.0%**	**1.9%**	**2.0%**	**2.3%**		**1.0%**	**25.9%**	**1.4%**	**1.5%**		**1.6%**
	7E - East Central														
1	Isanti	Off-Sale Only	---	7,218	5,226,928	3,737,028	1,489,900	748,878	14.3%	741,022	(927)	57,639	682,456	13.1%	350,000
2	Princeton	Off-Sale Only	---	5,425	5,714,281	4,267,865	1,446,416	622,521	10.9%	823,895	(85,844)	---	738,051	12.9%	35,872
3	Mora	Off-Sale Only	---	3,729	4,414,982	3,300,852	1,114,130	611,222	13.8%	502,908	10,721	26,000	487,629	11.0%	301,000
4	Cambridge	Off-Sale Only	---	10,541	6,650,664	4,953,842	1,696,822	972,650	14.6%	724,172	(5,586)	---	718,586	10.8%	725,000
5	Pine City	Off-Sale Only	---	3,458	2,388,535	1,703,813	684,722	507,844	21.3%	176,878	(303)	---	176,575	7.4%	185,000
6	Milaca	Off-Sale Only	---	3,063	2,946,734	2,235,019	711,715	633,990	21.5%	77,725	9,564	---	87,289	3.0%	225,000
7	North Branch	Off-Sale Only	---	11,756	3,839,269	2,797,680	1,041,589	947,054	24.7%	94,535	21	---	94,556	2.5%	94,556
8	Braham	Off-Sale Only	---	1,784	1,833,303	1,384,437	448,866	455,491	24.8%	(6,625)	17,384	---	10,759	0.6%	60,000
1	Finlayson	On- & Off-Sale	---	310	994,714	464,504	530,210	417,385	42.0%	112,825	123	4,819	108,129	10.9%	---
2	Foreston	On- & Off-Sale	---	571	462,369	199,905	262,464	242,079	52.4%	20,385	22,403	---	42,788	9.3%	28,612
3	Hinckley	On- & Off-Sale	---	1,964	3,248,105	2,270,584	977,521	726,557	22.4%	250,964	(3,925)	1,581	245,458	7.6%	280,000
4	Ogilvie	On- & Off-Sale	---	390	866,522	491,109	375,413	329,290	38.0%	46,123	300	---	46,423	5.4%	7,000
5	Lindstrom	On- & Off-Sale	---	5,019	3,012,702	2,128,290	884,412	879,353	29.2%	5,059	57,061	---	62,120	2.1%	191,330
6	Stacy	On- & Off-Sale	---	1,726	3,868,751	2,693,392	1,175,359	1,173,752	30.3%	1,607	75,827	18,143	59,291	1.5%	175,000
7	Isle	On- & Off-Sale	---	827	994,514	748,442	246,072	251,097	25.2%	(5,025)	19,575	---	14,550	1.5%	12,000
	Total for Region			**57,781**	**$46,462,373**	**$33,376,762**	**$13,085,611**	**$9,519,163**	**20.5%**	**$3,566,448**	**$116,394**	**$108,182**	**$3,574,660**	**7.7%**	**$2,670,370**
	Percent of Total MLS Operations			**5.8%**	**10.7%**	**10.9%**	**10.4%**	**9.7%**		**12.7%**	**19.2%**	**8.4%**	**13.1%**		**11.6%**

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 13

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Ranked by Net Profit/(Loss) as a Percent of Sales by Type of Establishment

								Operating			Nonoperating		Net Profit/(Loss)		
Rank	Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Expenses ($)	Expenses as a Percent of Sales	Income/ (Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers*($)
	7W - Central														
1	Big Lake	Off-Sale Only	---	12,492	5,623,585	4,092,018	1,531,567	915,941	16.3%	615,626	32,633	6,200	642,059	11.4%	450,000
2	Monticello	Off-Sale Only	---	15,087	7,174,059	5,256,029	1,918,030	1,058,027	14.7%	860,003	(82,243)	---	777,760	10.8%	---
3	Buffalo	Off-Sale Only	---	16,884	7,071,931	5,158,699	1,913,232	1,373,796	19.4%	539,436	68,851	35	608,252	8.6%	475,000
4	Delano	Off-Sale Only	---	7,023	3,802,905	2,731,221	1,071,684	770,979	20.3%	300,705	(13,162)	7,670	279,873	7.4%	674,009
5	Maple Lake	Off-Sale Only	---	2,240	2,322,917	1,772,401	550,516	483,454	20.8%	67,062	14,424	201	81,285	3.5%	50,000
6	Elk River	Off-Sale Only	---	27,001	8,531,414	6,191,510	2,339,904	1,593,173	18.7%	746,731	(489,851)	344	256,536	3.0%	1,000,000
7	Paynesville	Off-Sale Only	---	2,578	1,926,006	1,504,539	421,467	401,446	20.8%	20,021	(4,144)	1,350	14,527	0.8%	40,000
8	Sauk Rapids	Off-Sale Only	---	13,559	3,711,456	2,827,475	883,981	657,930	17.7%	226,051	(115,440)	176,857	(66,246)	-1.8%	135,000
1	Gilman	On- & Off-Sale	---	219	474,806	207,957	266,849	260,793	54.9%	6,056	49,982	---	56,038	11.8%	---
2	Howard Lake	On- & Off-Sale	---	2,173	1,007,849	755,607	252,242	235,983	23.4%	16,259	613	741	16,131	1.6%	---
3	Holdingford	On- & Off-Sale	---	749	371,965	195,376	176,589	183,864	49.4%	(7,275)	6,747	---	(528)	-0.1%	---
4	Waverly	On- & Off-Sale	---	2,116	1,076,795	732,551	344,244	350,987	32.6%	(6,743)	---	42	(6,785)	-0.6%	---
	Total for Region			**102,121**	**$43,095,688**	**$31,425,383**	**$11,670,305**	**$8,286,373**	**19.2%**	**$3,383,932**	**($531,590)**	**$193,440**	**$2,658,902**	**6.2%**	**$2,824,009**
	Percent of Total MLS Operations			**10.3%**	**10.0%**	**10.3%**	**9.3%**	**8.5%**		**12.1%**	**-87.9%**	**15.1%**	**9.7%**		**12.3%**
	8 - Southwest														
1	Marshall	Off-Sale Only	---	13,811	7,078,147	5,070,369	2,007,778	1,054,632	14.9%	953,146	(7,654)	56,078	889,414	12.6%	575,000
2	Pipestone	Off-Sale Only	---	4,106	1,909,041	1,413,628	495,413	324,195	17.0%	171,218	1,642	---	172,860	9.1%	191,317
3	Worthington	Off-Sale Only	---	14,052	5,221,873	3,874,946	1,346,927	914,957	17.5%	431,970	(14,323)	16,125	401,522	7.7%	275,000
4	Tracy	Off-Sale Only	---	2,070	867,284	623,856	243,428	186,403	21.5%	57,025	6,383	---	63,408	7.3%	97,465
5	Jackson	Off-Sale Only	---	3,360	1,619,316	1,177,854	441,462	335,176	20.7%	106,286	2,647	17,727	91,206	5.6%	56,000
6	Windom	Off-Sale Only	---	4,966	2,412,277	1,790,193	622,084	500,013	20.7%	122,071	1,286	---	123,357	5.1%	100,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 13

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Ranked by Net Profit/(Loss) as a Percent of Sales by Type of Establishment

								Operating			Nonoperating		Net Profit/(Loss)		
Rank	Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Expenses ($)	Expenses as a Percent of Sales	Income/ (Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers*($)
7	Redwood Falls	Off-Sale Only	---	5,078	2,642,259	1,957,164	685,095	568,699	21.5%	116,396	(15,753)	3,662	96,981	3.7%	122,165
8	Lakefield	Off-Sale Only	---	1,762	627,574	476,124	151,450	134,084	21.4%	17,366	2,881	---	20,247	3.2%	6,000
9	Luverne	Off-Sale Only	---	5,033	1,823,362	1,390,434	432,928	431,472	23.7%	1,456	(24,194)	---	(22,738)	-1.2%	45,000
1	Hadley	On- & Off-Sale	---	56	346,001	129,933	216,068	142,470	41.2%	73,598	8,515	3,003	79,110	22.9%	76,836
2	Avoca	On- & Off-Sale	---	114	240,048	100,425	139,623	124,979	52.1%	14,644	22,845	3,485	34,004	14.2%	27,668
3	Heron Lake	On- & Off-Sale	---	608	386,150	205,543	180,607	158,773	41.1%	21,834	703	---	22,537	5.8%	---
4	Russell	On- & Off-Sale	---	348	602,735	306,110	296,625	293,143	48.6%	3,482	9,001	---	12,483	2.1%	---
5	Okabena	On- & Off-Sale	---	208	351,601	193,862	157,739	155,180	44.1%	2,559	---	---	2,559	0.7%	---
6	Balaton	On- & Off-Sale	---	593	387,149	257,444	129,705	136,331	35.2%	(6,626)	5,240	---	(1,386)	-0.4%	1
7	Walnut Grove	On- & Off-Sale	---	744	523,868	266,568	257,300	273,400	52.2%	(16,100)	2,050	7,831	(21,881)	-4.2%	---
	Total for Region			**56,909**	**$27,038,685**	**$19,234,453**	**$7,804,232**	**$5,733,907**	**21.2%**	**$2,070,325**	**$1,269**	**$107,911**	**$1,963,683**	**7.3%**	**$1,572,452**
	Percent of Total MLS Operations			**5.7%**	**6.3%**	**6.3%**	**6.2%**	**5.8%**		**7.4%**	**0.2%**	**8.4%**	**7.2%**		**6.9%**
	9 - South Central														
1	Fairmont	Off-Sale Only	---	10,549	4,539,324	3,245,750	1,293,574	653,037	14.4%	640,537	(89,199)	---	551,338	12.1%	376,550
2	Saint James	Off-Sale Only	---	4,788	1,139,775	758,538	381,237	293,573	25.8%	87,664	10,935	---	98,599	8.7%	189,042
3	Madelia	Off-Sale Only	---	2,409	761,833	569,136	192,697	157,308	20.6%	35,389	1,387	---	36,776	4.8%	20,000
4	Wells	Off-Sale Only	---	2,373	1,145,758	865,730	280,028	216,517	18.9%	63,511	3,264	12,368	54,407	4.7%	---
5	Blue Earth	Off-Sale Only	---	3,130	1,834,369	1,373,524	460,845	413,813	22.6%	47,032	10,592	---	57,624	3.1%	100,000
6	Kiester	Off-Sale Only	---	479	217,273	159,382	57,891	58,759	27.0%	(868)	4,394	500	3,026	1.4%	---
7	Elmore	Off-Sale Only	---	536	100,245	72,853	27,392	35,776	35.7%	(8,384)	---	---	(8,384)	-8.4%	---
8	Butterfield	Off-Sale Only	---	601	184,824	148,923	35,901	87,829	47.5%	(51,928)	1,186	---	(50,742)	-27.5%	---
1	Mapleton	On- & Off-Sale	---	1,725	644,137	383,069	261,068	255,964	39.7%	5,104	68,238	---	73,342	11.4%	20,500

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 13

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

Ranked by Net Profit/(Loss) as a Percent of Sales by Type of Establishment

								Operating			Nonoperating		Net Profit/(Loss)		
Rank	Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Expenses ($)	Expenses as a Percent of Sales	Income/ (Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers*($)
2	Lewisville	On- & Off-Sale	---	212	235,685	140,697	94,988	115,100	48.8%	(20,112)	42,365	---	22,253	9.4%	---
3	Le Center	On- & Off-Sale	---	2,544	1,162,232	764,833	397,399	374,706	32.2%	22,693	74,240	---	96,933	8.3%	60,000
4	Cleveland	On- & Off-Sale	---	801	293,732	178,510	115,222	158,962	54.1%	(43,740)	55,097	---	11,357	3.9%	---
5	Sherburn	On- & Off-Sale	---	1,063	997,964	612,199	385,765	419,770	42.1%	(34,005)	40,216	---	6,211	0.6%	---
6	Hanska	On- & Off-Sale	---	381	98,753	56,944	41,809	68,312	69.2%	(26,503)	3,176	414	(23,741)	-24.0%	4,640
	Total for Region			**31,591**	**$13,355,904**	**$9,330,088**	**$4,025,816**	**$3,309,426**	**24.8%**	**$716,390**	**$225,891**	**$13,282**	**$928,999**	**7.0%**	**$770,732**
	Percent of Total MLS Operations			**3.2%**	**3.1%**	**3.0%**	**3.2%**	**3.4%**		**2.6%**	**37.4%**	**1.0%**	**3.4%**		**3.4%**
	10 - Southeast														
1	Lonsdale	Off-Sale Only	---	4,933	1,947,646	1,520,588	427,058	292,906	15.0%	134,152	940	---	135,092	6.9%	38,463
2	Kasson	Off-Sale Only	---	7,115	1,684,032	1,319,660	364,372	281,611	16.7%	82,761	---	8,035	74,726	4.4%	16,000
3	Caledonia	Off-Sale Only	---	2,895	1,005,971	767,486	238,485	210,318	20.9%	28,167	638	---	28,805	2.9%	25,000
4	Northfield	Off-Sale Only	---	21,109	2,797,955	2,032,144	765,811	672,620	24.0%	93,191	(33,110)	---	60,081	2.1%	50,000
1	West Concord	On- & Off-Sale	---	869	253,654	137,416	116,238	140,184	55.3%	(23,946)	50,348	---	26,402	10.4%	---
2	Kenyon	On- & Off-Sale	---	1,960	816,360	548,899	267,461	249,722	30.6%	17,739	54,642	---	72,381	8.9%	40,000
3	Medford	On- & Off-Sale	---	1,383	386,007	192,950	193,057	190,701	49.4%	2,356	31,461	---	33,817	8.8%	---
4	Mazeppa	On- & Off-Sale	---	894	661,451	368,159	293,292	303,182	45.8%	(9,890)	60,051	761	49,400	7.5%	(3,828)
5	Spring Grove	On- & Off-Sale	---	1,265	430,611	303,504	127,107	169,031	39.3%	(41,924)	6,085	---	(35,839)	-8.3%	---
	Total for Region			**42,423**	**$9,983,687**	**$7,190,806**	**$2,792,881**	**$2,510,275**	**25.1%**	**$282,606**	**$171,055**	**$8,796**	**$444,865**	**4.5%**	**$165,635**
	Percent of Total MLS Operations			**4.3%**	**2.3%**	**2.3%**	**2.2%**	**2.6%**		**1.0%**	**28.3%**	**0.7%**	**1.6%**		**0.7%**
	11 - 7-County Metro Area														
1	Mound	Off-Sale Only	---	9,284	3,820,758	2,721,381	1,099,377	688,608	18.0%	410,769	7,929	---	418,698	11.0%	250,000

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 13

Comparison of City Liquor Store Operations - 2022

Listed by Economic Development Region and City

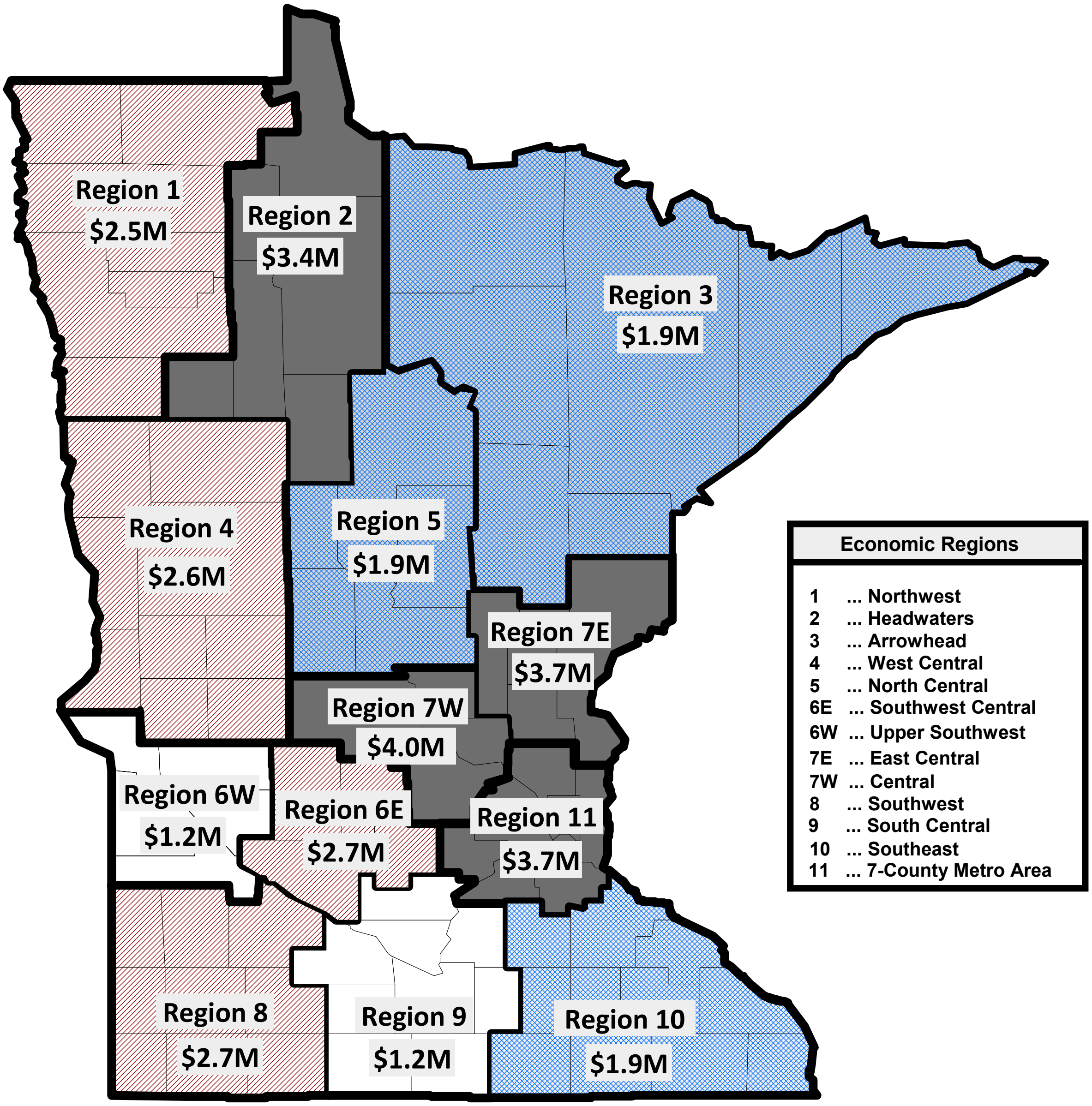
Ranked by Net Profit/(Loss) as a Percent of Sales by Type of Establishment

								Operating			Nonoperating		Net Profit/(Loss)		
Rank	Region and City	Type of Store	Footnotes	Population	Sales ($)	Cost of Sales ($)	Gross Profit ($)	Expenses ($)	Expenses as a Percent of Sales	Income/ (Loss) ($)	Revenues ($)	Expenses ($)	Amount ($)	Percent of Sales	Net Transfers*($)
2	Eden Prairie	Off-Sale Only	---	64,023	12,067,226	8,450,887	3,616,339	2,591,577	21.5%	1,024,762	(40,588)	45,050	939,124	7.8%	800,000
3	Savage	Off-Sale Only	---	33,137	6,948,251	5,012,280	1,935,971	1,467,439	21.1%	468,532	60,288	---	528,820	7.6%	240,000
4	Apple Valley	Off-Sale Only	---	55,673	10,882,866	7,630,825	3,252,041	2,320,251	21.3%	931,790	(128,495)	12,938	790,357	7.3%	850,000
5	Richfield	Off-Sale Only	---	36,543	14,200,736	10,659,157	3,541,579	2,565,546	18.1%	976,033	25,604	---	1,001,637	7.1%	834,530
6	Fridley	Off-Sale Only	---	29,962	6,521,618	4,713,669	1,807,949	1,307,853	20.1%	500,096	(31,031)	43,707	425,358	6.5%	338,500
7	Saint Anthony	Off-Sale Only	---	9,060	7,040,797	5,212,277	1,828,520	1,351,817	19.2%	476,703	(26,858)	---	449,845	6.4%	275,000
8	Lexington	Off-Sale Only	---	2,738	3,543,896	2,609,098	934,798	717,632	20.2%	217,166	3,091	---	220,257	6.2%	275,000
9	Farmington	Off-Sale Only	---	23,719	6,387,611	4,728,067	1,659,544	1,212,002	19.0%	447,542	(38,575)	37,334	371,633	5.8%	142,966
10	Lakeville	Off-Sale Only	---	73,828	21,894,980	16,008,561	5,886,419	4,533,001	20.7%	1,353,418	(167,094)	69,799	1,116,525	5.1%	1,295,451
11	Edina	Off-Sale Only	---	54,048	14,427,474	10,010,262	4,417,212	3,723,521	25.8%	693,691	(69,456)	---	624,235	4.3%	995,327
12	Columbia Heights	Off-Sale Only	---	21,592	9,338,869	7,025,816	2,313,053	2,007,369	21.5%	305,684	(17,066)	43,582	245,036	2.6%	378,850
13	Saint Francis	Off-Sale Only	---	8,306	2,937,081	2,211,211	725,870	726,267	24.7%	(397)	(24,175)	---	(24,572)	-0.8%	60,000
14	Brooklyn Center	Off-Sale Only	---	33,938	6,909,980	5,108,499	1,801,481	1,790,242	25.9%	11,239	(3,716)	66,759	(59,236)	-0.9%	---
15	Robbinsdale	Off-Sale Only	---	14,986	4,272,044	3,092,802	1,179,242	1,103,586	25.8%	75,656	(63,867)	63,884	(52,095)	-1.2%	200,000
16	Anoka	Off-Sale Only	---	18,127	3,531,627	2,624,248	907,379	1,097,899	31.1%	(190,520)	7,665	---	(182,855)	-5.2%	240,000
1	Rogers	On- & Off-Sale	---	14,430	4,404,750	3,005,016	1,399,734	1,092,473	24.8%	307,261	39,565	71	346,755	7.9%	242,466
2	Wayzata	On- & Off-Sale	---	4,437	6,918,956	3,483,017	3,435,939	3,340,417	48.3%	95,522	29,837	89,370	35,989	0.5%	602,730
	Total for Region			**507,831**	**$146,049,520**	**$104,307,073**	**$41,742,447**	**$33,637,500**	**23.0%**	**$8,104,947**	**($436,942)**	**$472,494**	**$7,195,511**	**4.9%**	**$8,020,820**
	Percent of Total MLS Operations			**51.0%**	**33.8%**	**34.1%**	**33.1%**	**34.3%**		**29.0%**	**-72.3%**	**36.8%**	**26.3%**		**35.0%**
	Off-Sale Only			**909,819**	**$351,979,527**	**$257,737,484**	**$94,242,043**	**$68,573,672**	**19.5%**	**$25,668,371**	**($1,040,889)**	**$1,090,878**	**$23,536,604**	**6.7%**	**$20,033,889**
	On- & Off-Sale			**85,902**	**$80,258,299**	**$48,453,655**	**$31,804,644**	**$29,481,290**	**36.7%**	**$2,323,354**	**$1,645,611**	**$193,937**	**$3,775,028**	**4.7%**	**$2,899,027**
	All Stores			**995,721**	**$432,237,826**	**$306,191,139**	**$126,046,687**	**$98,054,962**	**22.7%**	**$27,991,725**	**$604,722**	**$1,284,815**	**$27,311,632**	**6.3%**	**$22,932,916**

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
[16] The enterprise operation was sold.
[21] The enterprise fund discontinued operations during the current year.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

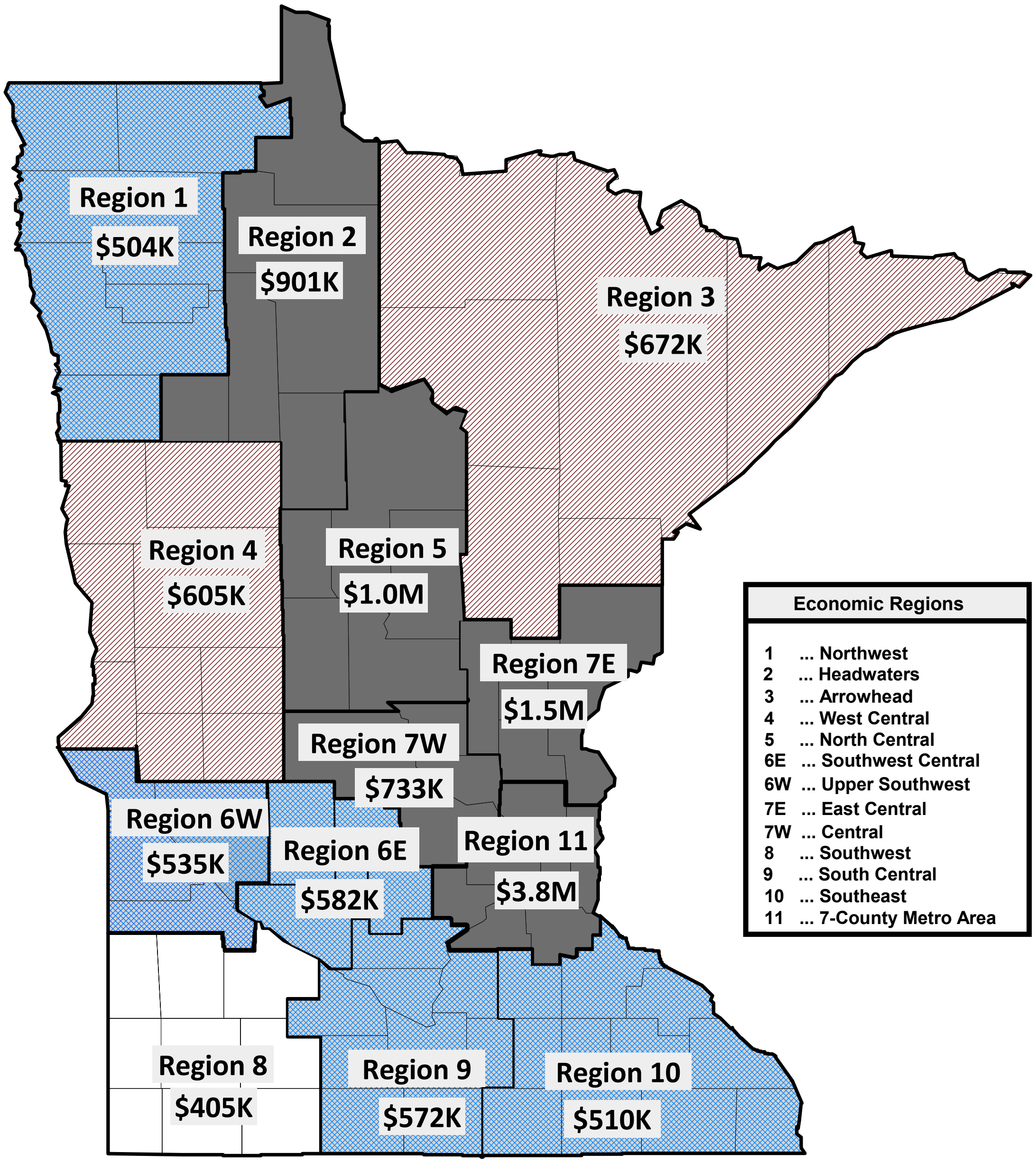
Figure 8
2022 Average Sales Per Off-Sale Municipal Liquor Establishment by Economic Development Region



**All numbers are rounded.*

Legend	
Less than $1,500,000	$2,000,000 to $2,999,999
$1,500,000 to $1,999,999	Over $3,000,000

Figure 9
2022 Average Sales Per On-Sale Municipal Liquor Establishment by Economic Development Region

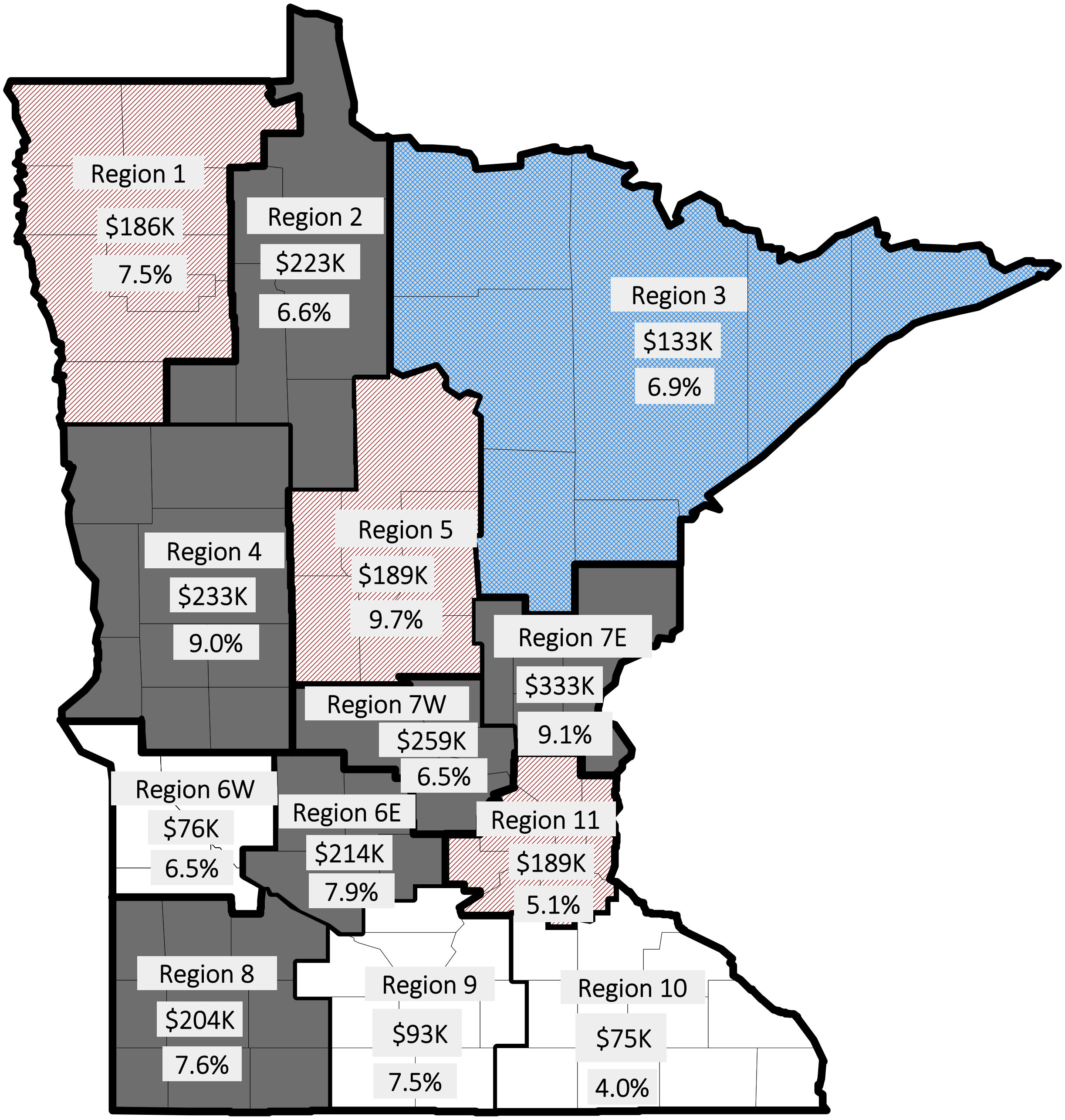


**All numbers are rounded.*

Legend

- Less than $500,000
- $500,000 to $599,999
- $600,000 to $700,000
- Over $700,000

Figure 10
2022 Average Net Profit and Net Profit as a Percent of Sales
Per Off-Sale Municipal Liquor Establishment
by Economic Development Region



**All numbers are rounded.*

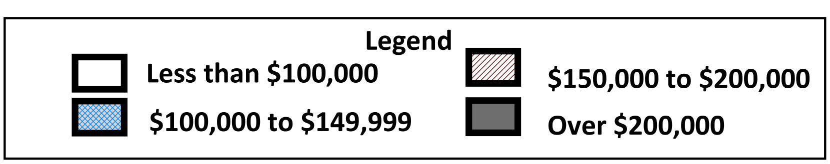
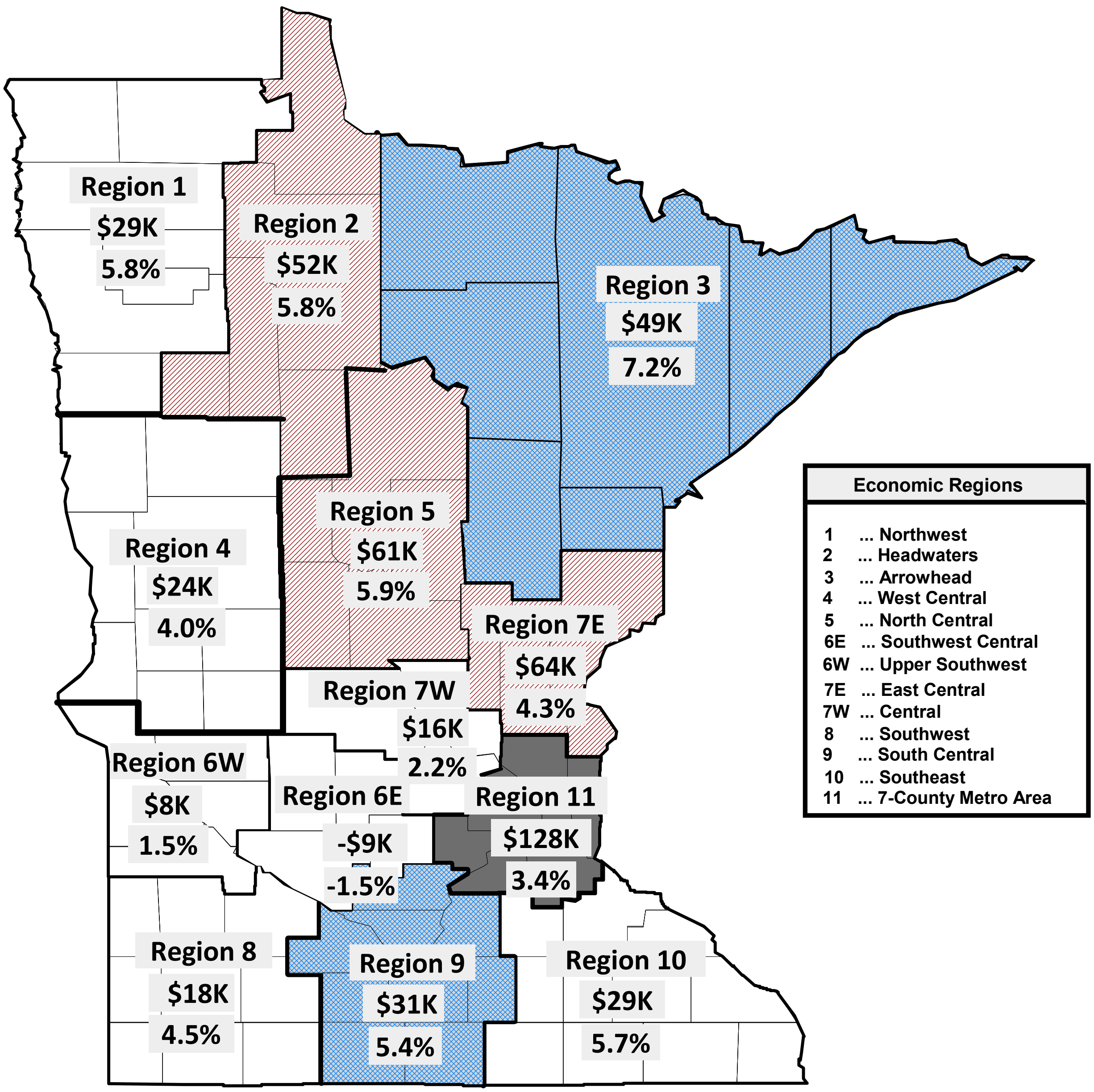


Figure 11
2022 Average Net Profit and Net Profit as a Percent of Sales
Per On-Sale Municipal Liquor Establishment
by Economic Development Region



**All numbers are rounded.*

Legend

- Less than $30,000
- $30,000 to $49,999
- $50,000 to $100,000
- Over $100,000

LMC
LEAGUE of MINNESOTA CITIES

INFORMATION MEMO

Special Assessment Toolkit

Discusses city authority to levy special assessments for local improvements like streets, waterworks, sanitary sewer and more. It defines special assessments, gives a synopsis of the procedure, discusses challenges by property owners, levying and collecting assessments, borrowing, making corrections, and applicability to tax exempt and railroad properties.

This toolbox icon marks the link to a downloadable tool. All tools are listed and available on the League's website.

Take action with Information Memo toolkits. They contain the forms, samples or models a city can use to act on a process or project. Look for the toolkit icon so you can download that tool to use or modify it for your city.

RELEVANT LINKS:

I. What are special assessments?

Minn. Stat. ch. 429.

Special assessments are a charge imposed on properties for a particular improvement that benefits the owners of those selected properties. The authority to use special assessments originates in the state constitution which allows the state legislature to give cities and other governmental units the authority "to levy and collect assessments for local improvements upon property benefited thereby." The legislature confers that authority to cities in Minnesota Statutes Chapter 429. Court decisions and attorney general opinions interpreting the statute add complexity to the issue.

See Section VIII: *Charter cities.*

A charter city may choose to use either Chapter 429 or provisions of the charter to assess for local improvements but even so state law requires that charter cities follow state law in certain steps of the proceedings, as discussed subsequently.

To ensure full protection for property owners, state law and courts applying that law insist on strict compliance with complex procedural requirements. Because these requirements have legal implications, city councils should have the city attorney guide assessment proceedings.

Special assessments have three distinct characteristics:

- They are a levy a city uses to finance, or partially finance, a particular public improvement program.
- The city levies the charge only against those particular parcels of property that receive some special benefit from the program.
- The amount of the charge bears a direct relationship to the value of the benefits the property receives.

145 University Ave. West
Saint Paul, MN 55103-2044
www.lmc.org
(651) 281-1200 or (800) 925-1122

8/31/2020

RELEVANT LINKS:

A. What do special assessments pay for?

Special assessments have a number of important uses:

- The most typical use is to pay for infrastructure in undeveloped areas of a city, particularly when the city is converting new tracts of land to urban or residential use. Special assessments frequently pay for opening and surfacing streets; installing utility lines and constructing curbs, gutters, and sidewalks.
- Special assessments may partially underwrite the cost of major maintenance programs. Cities often finance large scale repairs and maintenance operations on streets, sidewalks, sewers, and similar facilities in part with special assessments.
- Another use of special assessments is the redevelopment of existing neighborhoods. Cities use special assessments when areas age and the infrastructure needs updating.

B. The special benefit test

Special assessments reflect the influence of a specific local improvement on the value of selected property. No matter what method the city uses to establish the amount of the assessment, the real measure of benefit is the increase in the market value of the land because of the improvement.

Buzick v. City of Blaine, 505 N.W.2d 51 (Minn. 1993).

Under the special benefit test, special assessments are presumptively valid if:

EHW Properties v. City of Eagan, 503 N.W.2d 135 (Minn. Ct. App. 1993). *Schumacher v. City of Excelsior,* 427 N.W.2d 235 (Minn. 1988). *Tri-State Land Co. v. City of Shoreview,* 290 N.W.2d 775 (Minn. 1980).

- The land receives a special benefit from the improvement.
- The assessment does not exceed the special benefit measured by the increase in market value due to the improvement.
- The assessment is uniform as applied to the same class of property, in the assessed area.

Because special assessments are appealable to district court, it is important that the city considers the benefit to the property as a result of the specific improvement. Councils can and sometimes do this by retaining a qualified, licensed appraiser. At the hearings on the assessments, the council may choose to have the appraiser present a written or oral report on the increase in market value as a result of the improvement.

Buettner v. City of St. Cloud, 277 N.W.2d 199 (Minn. 1979).
Southview County Club. v. City of Inver Grove Heights, 263 N.W. 2d 385 (Minn. 1978).
Minn. Const. art X, § 1.

A special assessment that exceeds the special benefit is a taking of property without fair compensation and violates both the Fourteenth Amendment of the United States Constitution and the Minnesota Constitution. Property assessed must enjoy a corresponding benefit from the local improvement. This is a different concept than property tax valuation. The Minnesota Constitution states:

RELEVANT LINKS:

"The Legislature may authorize municipal corporations to levy and collect assessments for local improvements upon property benefited thereby without regard to cash valuation." As the courts have made clear, the special benefit is the increase in market value of the land as a result of the improvement.

Ewert v. City of Winthrop, 278 N.W.2d 545 (Minn. 1979).

If a city's assessment is challenged in district court, the assessment roll constitutes prima facie (or initial) proof that an assessment does not exceed the special benefit. The party contesting the assessment must introduce evidence sufficient to overcome that presumption. If the evidence as to the special benefit is conflicting it is the responsibility of the district court to determine whether the assessment exceeds the market value increase and, if so, by what amount.

Bisbee v. City of Fairmont, 593 N.W.2d 714 (Minn. Ct. App. 1999). *Quality Homes, Inc. v. Village of New Brighton,* 289 Minn. 274, 193 N.W.2d 555 (1971). *Anderson v. City of Bemidji,* 295 N.W.2d 555 (Minn. 1980). *Village of Edina v. Joseph,* 264 Minn. 84, 119 N.W.2d 809 (1962).

For this reason, the city's assessment method should at least approximate market-value analysis. A formula that does not consider an analysis of the increase in market value of each parcel may be invalid. For instance, a method that bases assessment amounts on the average costs of street improvement projects from previous years and doesn't take into consideration the cost of the currently proposed project has been found arbitrary and invalid on its face.

Roberts v. City of Crystal Lake, No. A03-172 (Minn. Ct. App. Nov. 4, 2003) (unpublished decision). *Allen v. City of Minneapolis,* No. C1-02-1506 (Minn. Ct. App. April 23, 2003) (unpublished decision). *Haverberg v. City of Madison*, No. C8-02-1146 (Minn. Ct. App. Jan. 28, 2003) (unpublished decision).

Courts often uphold special assessments based on evidence from a city's qualified and licensed appraiser that the assessment did not exceed the increase in market value as a result of the improvement.

Eagle Creek Townhomes v. City of Shakopee, 614 N.W. 2d 246 (Minn. Ct. App. 2000). *Shorma Family Trust v. Maine Township,* No. C9-01-1548 (Minn. Ct. App. April 16, 2002) (unpublished decision). *Belanger v. City of Long Lake,* No. C1-99-1347 (Minn. Ct. App. May 9, 2000) (unpublished decision). *Reiling v. City of Lino Lakes,* No. C7-99-1594 (Minn. Ct. App. Apr. 11, 2000) (unpublished decision). *Anderson v. City of Buffalo,* No. C7-99-641 (Minn. Ct. App. Jan. 18, 2000) (unpublished decision). *Rohling v. City of Champlin,* No. C3-98-1209 (Minn. Ct. App. Feb. 16, 1999) (unpublished decision). *In re Appeal by Eastside Development,* C4-01-582; (Minn. Ct. App. 2001) (unpublished decision).

However, in many published and unpublished opinions, the appellate courts have routinely upheld decisions that went against the city because the district court found a lack of adequate evidence of a market value increase equal to or exceeding the amount of the special assessment.

RELEVANT LINKS:

In re Appeal by Eastside Development, No.C4-01-582 (Minn. Ct. App. Sept. 11, 2001). *Blomquist v. City of Eagan,* No. C2-00-1591 (Minn. Ct. App. May 1, 2001) (unpublished decision).

Johnson v. City of Eagan, 584 N.W.2d 770 (Minn. 1998).
In re Village of Burnsville, 310 Minn. 32, 245 N.W.2d 445 (Minn. 1976).

Especially with regard to street improvements, it can be difficult to demonstrate that there is an increase in market value as a result of the resurfacing or reconstruction, though not impossible, depending on the circumstances.

When a court disallows a portion of an assessment because it was in excess of the benefit to the specific property, the city may not try to recoup the disallowed amount through another method–such as by imposing a charge for a utility line on only that property and not on the other properties involved in the assessment. When the cost of an improvement exceeds the benefit, the difference must not be borne by a particular property, but instead by the city as a whole.

Nordgren v. City of Maplewood, 326 N.W.2d 640 (Minn. 1982).
Minn. Stat. § 444.075.
Smith v. Spring Lake Township, No. C0-01-370 (Minn. Ct. App. Nov. 20, 2001) (unpublished decision).

The Minnesota Supreme Court has held that connection charges, based on a different state law, are not assessments and may be imposed on top of prior assessments. One unpublished Court of Appeals decision, however, held that the cost of the connection charges should be included with the amount of special assessments in determining the special benefit to the property.

Farmers Ins. Grp. v. Comm'r of Taxation, 153 N.W.2d 236 (Minn. 1967) (Only those cases where regulation is the primary purpose of a revenue-raising law can be specially referred to the police power.)
Am. Bank v. City of Minneapolis, 802 N.W.2d 781 (Minn. Ct. App. 2011).
First Baptist Church v. St. Paul, 884 N.W.2d 355 (Minn. 2016).

Id. at 365.

Applicability of the special benefit test to a given assessment relies on whether it arises out of regulation of conduct. The Minnesota Court of Appeals has held that the special benefit test does not apply to unpaid special charges collected in the form of special assessments when defraying the cost of providing "police power" services such as removal of public nuisances. However, the Minnesota Supreme Court has held a right-of-way assessment largely collected to address "standard wear and tear on the streets, caused largely by Minnesota weather and use by the general public" with services such as snow plowing and ice control, is not a regulation of landowner conduct. An assessment such as this, the Court held, that is "annually recurring, imposed nearly city wide, benefiting largely the general public traveling the rights-of-way, with diverse services largely provided on an 'as needed' basis," is charged under the taxing power and is subject to the special benefit test.

C. Practical points to consider

The following three strategies help avoid the problem of proceeding on estimates that do not equal actual revenue.

1. Coordinating procedures

Chapter 429 allows coordinating the timelines of the special assessment and competitive bidding processes in a way that may protect the city from successful appeals and ensuing budget shortfalls. The city may determine the assessment amount and prepare the assessment roll before work on the local improvement even begins.

RELEVANT LINKS:

Minn. Stat. § 471.345.
Minn. Stat. § 429.041, subd.1.

The competitive bidding threshold for all cities, regardless of size, is $175,000. Thus, special assessment projects must be bid if the estimated cost exceeds $175,000. If needed, the city may advertise for bids and allow sufficient time after the bid closing date to permit the city to prepare the assessment roll based on the lowest responsible bid the city receives and to hold the assessment hearing (the second hearing) based on that low bid. The city then proceeds with the actual work of the project after certification of the assessment roll and the 30-day appeal period is over.

Using this "coordinated procedure" means the city knows both important numbers up front -- how much money will be available through special assessments and the cost of the local improvement. Because the time for appeals is over before the contract is issued, the city will not need to cover potential budget shortfalls that may occur if a property owner successfully challenges a special assessment or the lowest bid comes in higher than expected. This Guide and the forms attached track this coordinated procedural format.

For larger projects in particular, city councils should seriously consider having provisions in the specifications that give the city more time to accept or reject bids. Either the city can make the improvement contract conditional on the absence of objections filed within 30 days after the assessment hearing, or the city may specify (in the bid documents, or specifications) that the improvement work will not begin until 90 days after the city receives bids. Under both strategies, the council would not enter into a binding contract, nor would any improvement work start until after the improvement and assessment hearings and the time for appeals elapses.

2. Specially assessing less of the cost

See Section II-A-2: *By council.*

The city can also avoid appeals by paying a substantial portion of the cost of all improvements out of general funds. The larger the portion of cost the city assumes, the less the chances that any individual assessment would exceed the benefit from the improvement as measured by the increase in market value.

Indeed, the council can proceed with the proposed assessment based on estimates -- and plan to use monies from a reserve fund from general taxes and other uncommitted sources of revenue making up any difference between the assessments and the project cost.

3. Waivers

Ruzic v. City of Eden Prairie, 479 N.W.2d 417 (Minn. Ct. App. 1991).
Minn. Stat. § 429.081.
Minn. Stat. § 462.3531.

The council might obtain, under certain circumstances, waivers of rights to appeal before entering into the contract and ordering the improvement. Any waiver of rights is effective only for the amount of assessment agreed on by the city and property owners or developers.

RELEVANT LINKS:

See LMC model, *Agreement of Assessment and Waiver* (Form 2).

An effective waiver of rights of appeal is essentially a contract and may contain additional conditions providing for the increases in assessments that will not be subject to appeal; consult the city attorney for specific advice on effective waivers.

D. Pros and cons of special assessments

Following is a summary of the advantages and disadvantages of special assessment financing. The council can avoid many of the disadvantages with adequate plans and a long-range capital improvement program.

Advantages of special assessment financing include:

- Special assessments are generally a dependable source of revenue.
- Special assessments are a means of raising money outside city debt and general property taxes. (Special assessment bonds do not count toward statutory debt limitations).
- Special assessments provide a means of levying charges for public services against property otherwise exempt from taxation.
- Special assessments lower the cost to the community of bringing undeveloped land into urban use.
- Charging the property owner for the benefit received prevents or minimizes the possibility that a property owner will reap a financial profit from the improvement at the expense of the general taxpayer.

Disadvantages of special assessment financing include:

- The difficulty and expense in establishing the special benefit to the property.
- The difficulties in special assessment administration. The administrative procedures require careful execution in order to avoid litigation.
- Cities have at times used special assessments to pay for premature public improvements. Because the city generally bears some of the cost of every public improvement, land speculators sometimes urge councils to do unjustifiable special assessment programs.
- The availability of special assessment financing often tempts city officials to underwrite the cost of governmental programs that should be an obligation of the entire city.
- Unless special assessments conform to a city’s long-term financial and capital improvement plans, they can subject a city to two serious financial dangers. First, if a city frequently undertakes special assessment bond issues backed by the full faith and credit of a city in an unplanned manner, city credit might be overextended. This leads to higher interest charges on all city and school district borrowing and increases the possibility of default.

RELEVANT LINKS:

Second, placing too heavy a burden on individual property owners (with special assessments and regular property taxes) runs the risk of increasing tax delinquencies and potentially jeopardizes a city's credit and borrowing position.

- From the council's point of view, the public's reaction to a proposed special assessment might be the most important determinative factor. While taxpayer resistance is usually minimal, this is not true in every instance. Special assessment programs receive much greater public support if the council adequately informs people of its intentions to make the improvement, the benefit the improvements will provide, and the necessary financial demands.

E. Special assessment policies

See Section I-B: *The special benefit test.*

Some cities have attempted to minimize the controversy over special assessment financing by adopting a special assessment policy (not an ordinance). Whatever the policy provides it must adhere to the rule that the amount of a special assessment cannot exceed the special benefit to the property as measured by increase in market value due to the improvement.

With frequent turnover on the council a policy may increase consistency in the use of financing improvements with special assessments. Justifying council decisions in a particular case may also be easier with a policy in place. An updated and current special assessment policy may also facilitate the development of a long-range capital program for public improvements.

A policy should reflect basic procedural decisions on financing local improvements -- decisions that the council must think through carefully, considering past practice, equity, revenue productivity, political acceptability, and the rest of the city's revenue system. Practically speaking, many city special assessment policies provide procedures for city-specific issues, such assessing oddly shaped lots, corner lots, lots with septic systems and what method of assessment the city uses. (E.g. including but not limited to the area method of assessment, unit method or a per lot assessment). Cities may wish to work with citizens, appraisers, an attorney and city engineers to develop a special assessment policy that fits the unique needs of their city.

F. Programs cities may finance with special assessments

Generally, cities use special assessments to at least partially finance a variety of public improvements. Cities may also use special assessments to collect certain unpaid service charges, discussed in the next section.

RELEVANT LINKS:

1. Local improvements

Minn. Stat. § 429.021.

Cities are statutorily authorized to finance the following public improvements at least partially through special assessments:

Minn. Stat. § 429.021, subd. 1(1).

- **Streets, sidewalks, alleys, curbs and gutters:** Acquiring, opening, and widening streets and alleys; constructing, reconstructing, and maintaining sidewalks, streets, gutters, curbs, and vehicle parking strips. (These projects may include charges for beautification, storm sewers, or other street drainage systems, and installation of connections from utilities to curb lines).

Minn. Stat. § 429.021, subd. 1(2).

- **Storm and sanitary sewer systems:** Acquisition, development, construction, reconstruction, extension, and maintenance of storm and sanitary sewer systems including outlets, treatment plants, pumps, lift stations, and storm water holding areas and ponds.

Minn. Stat. § 429.021, subd 1(3).

- **Steam heating mains:** Construction, reconstruction, extension, and maintenance.

Minn. Stat. § 429.021, subd. 1(4).

- **Street lighting systems:** Installation, replacement, extension, and maintenance.

Minn. Stat. § 429.021, subd. 1(5).
Minn. Stat. § 444.075.
A.G. Op. 387-B-10 (Mar. 8, 1993).
Minn. Stat. § 429.091, subd. 7a.

- **Waterworks systems:** Construction, reconstruction, extension, and maintenance. (This includes all appurtenances of a waterworks system, even the treatment plant). Special assessments may also pay for the infrastructure necessary to maintain water, sewer, and storm sewer systems; and for the payment of any obligations issued to pay the costs of the waterworks facilities and systems or to refund bonds issued for those purposes.

Minn. Stat. § 429.021, subd. 1(6).

- **Parks, playgrounds, and recreational facilities:** To acquire, improve and equip parks, open space areas, playgrounds, and recreational facilities within or without the corporate limits.

Minn. Stat. § 429.021, subd 1(7).

- **Street trees:** Planting, trimming, care, and removal.

Minn. Stat. § 429.021, subd 1(8).

- **Abating nuisances:** Includes, but not limited to, draining and filling swamps, marshes, and ponds on public or private property.

Minn. Stat. § 429.021, subd. 1(9).

- **Dikes and other flood control works:** Construction, reconstruction, extension, and maintenance.

Minn. Stat. § 429.021, subd. 1(10).

- **Retaining and area walls, including highway noise barriers:** Construction, reconstruction, extension, and maintenance.

RELEVANT LINKS:

Minn. Stat. § 429.021, subd. 1(11).
Minn. Stat. § 429.031, subd. 3.

- **Pedestrian skyway systems:** Construction, reconstruction, maintenance, and promotion of bridges, overpasses, hallways, plazas, elevators, and escalators on public or private property. A petition for a pedestrian skyway system must meet unique statutory requirements.

Minn. Stat. § 429.021, subd. 1(12).

- **Underground pedestrian concourses:** Construction, reconstruction, maintenance, and promotion of tunnels, arcades, plazas, elevators, and escalators.

Minn. Stat. § 429.021, subd. 1(13).

- **Malls:** Acquisition, construction, improvement, alteration, extension, operation, maintenance, and promotion of public malls, plazas or courtyards.

Minn. Stat. § 429.021, subd. 1(14).

- **District heating systems:** Construction, reconstruction, extension, and maintenance of district heating systems.

Minn. Stat. § 429.021, subd. 1(15). Minn. Stat. § 429.031, subd. 3.

- **Fire protection systems:** Construction in existing buildings upon petition of owners. A petition for a fire protection system, on public or private property, must meet unique statutory requirements.

Minn. Stat. § 429.021, subd. 1(16).

- **Highway sound barriers:** Acquisition, construction, reconstruction, improvement, alteration, extension, and maintenance of highway sound barriers.

Minn. Stat. § 429.021, subd. 1(17).

- **Gas and electric distribution facilities:** Improvement, construction, reconstruction, extension, and maintenance of gas and electric distribution facilities owned by a municipal gas or electric utility.

Minn. Stat. § 429.021, subd. 1(18).

- **Markers relating to 911 services:** Purchase, installation, and maintenance of signs, posts, and other address markers related to the operation of enhanced 911 services.

Minn. Stat. § 429.021, subd. 1(19).

- **Internet access:** Improvements, construction, extension, and maintenance of facilities for Internet access, and other communication purposes, if the council finds that the facilities:
  - Are necessary to make Internet access (or other communications services) available that are not and will not be available through other providers or the private market in the reasonably foreseeable future.
  - Provide services that will not compete with service provided by private entities.

Minn. Stat. § 429.031, subd. 3.
Minn. Stat. § 429.011, subd. 16.

- **On-site water contaminant systems:** Installation of publicly or privately-owned pipes, wells, and other devices and equipment in or outside a building for the primary purpose of eliminating water contamination caused by lead or other toxic or health threatening substances in the water. A petition for an on-site water contaminant system must meet unique statutory requirements.

RELEVANT LINKS:

Minn. Stat. § 429.021, subd. 1(20).
Minn. Stat. § 429.031, subd. 3.

- **Burying overhead utility lines within the public right-of-way:** Cities can only finance the burying of overhead utility lines with special assessments in response to a petition from all the abutting landowners. In addition, burying the lines in the public right of way must exceed the utility's design and construction standards, or those set by law, tariff, or franchise. In that situation all or a portion of the costs associated with burying the lines, or altering a new or existing distribution system, can be specially assessed as agreed to with an electric utility, telecommunications carrier, or cable system.

Minn. Stat. § 459.14.

- **Parking facilities:** Acquisition and construction.

Minn. Stat. §§ 216C.435-.437.
Minn. Stat. § 429.021, subd. 1(21).
Minn. Stat. § 429.101, subd. 1(c).

- **Energy improvement programs:** Cities may finance cost-effective energy improvements to residential dwellings, or commercial or industrial buildings, through revenue bonds funded by special assessments. Among other requirements of such a program is a petition by all owners of the qualifying real property requesting collections of repayments as special assessments as with other unpaid charges assessable under chapter 429.

Joint Indep. Sch. Dist. No. 287 v. City of Brooklyn Park, 256 N.W.2d 512 (Minn. 1977).
In re Village of Burnsville, 310 Minn. 32, 245 N.W.2d 445 (Minn. 1976).

Chapter 429 defines a number of projects as local improvements that may benefit the entire city, such as a sewage disposal plant, interceptor sewer or water treatment plant. The constitutional provision authorizing special assessments for local improvements may allow these kinds of projects as long as they confer a special benefit on assessed property that the improvements do not confer upon the city as a whole.

2. Assessing unpaid special service charges

Minn. Stat. § 429.101, subds. 1, 2.
Minn. Stat. § 412.221, subd. 6.

Cities may, through an ordinance, require that property owners perform certain property-related special services -- or the ordinance can allow that the city performs the special services and sends a bill to property owner for the work. If the property owner fails to pay, the city may assess for all or any part of the unpaid charges as a special assessment against the property benefitted. When assessing unpaid service charges, cities must follow some, but not all, of the special assessment notice, hearing and calculation procedures in Chapter 429.

Minn. Stat. § 429.101, subd. 2.
Sykes v. Rochester, 787 N.W.2d 192 (Minn. Ct. App. 2010).

The law specifically lists the special services that cities can specially assess if not paid by the property owner or occupant. Statutory cities cannot add the following to this list, but charter cities may be able to add to it by charter amendment:

Minn. Stat. § 429.101, subd. 1(a)(1).
Minn. Stat. § 429.101, subd. 1(a)(2).
Minn. Stat. § 429.101, subd. 1(a)(3).

- Snow, ice and rubbish removal from sidewalks.
- Weed elimination from streets and private property.
- Removal or elimination of public health or safety hazards from private property, excluding any hazardous or substandard buildings.

RELEVANT LINKS:

Minn. Stat. § 429.101, subd. 1(a)(4).

Minn. Stat. § 429.101, subd. 1(a)(5).
Minn. Stat. § 429.101, subd. 1(a)(6).
Minn. Stat. § 429.101, subd. 1(a)(7).
Minn. Stat. § 429.101, subd. 1(a)(8).

Minn. Stat. § 429.101, subd. 1(a)(9).

Minn. Stat. § 429.101, subd. 1(a)(10).

Minn. Stat. § 429.101, subd. 1(a)(12).

Minn. Stat. § 443.015.

- Installation and repair of water service lines, and sprinkling and dust treatments.
- Trimming and care of trees, and removal of unsound trees.
- Treatment and removal of insect-infested or diseased trees on private property and the repair of sidewalks and alleys.
- Operation of a street lighting system.
- Operation and maintenance of a fire protection or a pedestrian skyway system.
- Inspections related to a municipal housing maintenance code violation.
- Recovery of payments to rehabilitate and/or maintain safe and habitable housing conditions over the useful life of a house or land - including payment of utility bills and other services, even if provided by a third party in rental situations.
- The recovery of delinquent vacant building registration fees under a municipal program designed to identify and register vacant buildings.
- Garbage collection and disposal.

Minn. Stat. § 429.101, subd 1(b).

Again, a city cannot exercise this authority until passing an authorizing ordinance providing that such matters are the responsibility of the property owner. (The ordinance cannot require that property owners perform street sprinkling or other dust treatment, alley repair, tree trimming, care, and removal or the operation of a street lighting system.)

Minn. Stat. § 429.101, subd. 2. See also *Sykes v. Rochester,* 787 N.W.2d 192 (Minn. Ct. App. 2010). *Am. Bank v. City of Minneapolis,* 802 N.W.2d 781 (Minn. Ct. App. 2011).

Unpaid charges collected as special assessments are subject to the same notice, hearing, and appeal requirements as any other special assessments. They are not, however, subject to the special benefit test.

Minn. Stat. § 429.101, subd. 3.

Cities may issue bonds or other debt instruments to finance the cost of special services in the same manner as for local improvements, with three modifications:

- These obligations may not run for more than two years.
- The amount of debt a city issues at any one time may not exceed the estimated cost of the work it will do during the next six months.
- The council must set up a separate fund for each of the different services financed through this procedure.

II. Synopsis of procedures

All model forms in a compressed file.

The following discussion is a guide, but not legal advice, as to the proper fulfillment of special assessment procedures. The council should consult an attorney familiar with the individual project to make sure the city follows all legal procedures.

RELEVANT LINKS:

Gadey v. City of Minneapolis, 517 N.W.2d 344 (Minn. Ct. App. 1994).

If the proper procedures are not followed, a court may set the assessment aside and order a reassessment.

Minn. Stat. ch. 429.

In general, Chapter 429 proposes the following steps.

A. Initiation of proceedings

Minn. Stat. § 429.031.

Either a petition from affected property owners or the council initiates Chapter 429 proceedings.

1. By petition

Minn. Stat. § 429.031, subd. 1(f).

LMC model, *Petition for Local Improvement – more than 35% of property owners* (Form 3).

If the council chooses to proceed with an improvement based on a petition (they are not required to do so) it must have the signatures of the owners of at least 35 percent in frontage of the property bordering the proposed improvements. Computing the 35 percent is not always easy.

A.G. Op. 396g7 (June 9, 1958).

The Minnesota Attorney General has opined that the 35 percent requirement applies to the entire area petitioning for the local improvement, so each specific street need not meet it.

City of Brainerd v. Brainerd Investments Partnership, 827 N.W. 2d 752 (Minn. 2013).

A.G. Op. 387-B-10 (June 29, 1954). A.G. Op. 408-C (October 28, 1954).

The Minnesota Supreme Court finds that the state may be an "owner" for purposes of this 35 percent petition. (The Court finds the statute unambiguous and refuses to consider extrinsic evidence by looking at three Attorney General Opinions. These Opinions suggested that neither the state nor the city is an "owner" for purposes of this 35 percent petition.)

If the council relies upon the petition as its basis for proceeding, it cannot make a substantial change in the nature of the improvement from that asked for in the petition. For example, it may not order an improvement for water and sewer when the petition has asked for water alone, or add curb and gutter to a petition for blacktop.

LMC model, *Petition for Local Improvement - 100% of property owners* (Form 1).
and
LMC model, *Agreement of Assessment and Waiver of Irregularity and Appeal* (Form 2).

In some cases, for example buried utility lines, 100 percent of landowners must petition for an improvement.

RELEVANT LINKS:

Minn. Stat. § 429.035.
Minn. Stat. § 429.036.

LMC model, *Resolution Declaring Adequacy of Petition and Ordering Preparation of Report* (Form 4).

The council must pass and publish a resolution determining whether the petition is legally sufficient or not. Any person directly affected by the resolution may challenge the council's determination (as to the legal sufficiency of the petition) in district court. The appeal must be made within 30 days and include a bond of $250.

Minn. Stat. § 429.031, subd. 1(f).

LMC model, *Alternate Resolution Ordering Preparation of Report on Improvement* (Form 4-Alt).

See Section II-F-1: *Voting requirements for ordering the improvement.*

2. By council

The council certainly may act on its own initiative in proposing a local improvement and ordering a feasibility report. As a practical note, an extraordinary majority vote from the council is not necessary to initiate the proceedings. (Later in the process, a four-fifths council vote will be required to pass the resolution ordering an improvement initiated by council). The council must calculate the cost of the improvement or direct staff to do so.

Minn. Stat. § 429.031, subd. 1(b).

Minn. Stat. § 429.031, subd. 1(d).

LMC model, *Resolution Receiving Feasibility Report and Calling Hearing on Improvement* (Form 5).

B. Feasibility report

Whether initiated by petition or by council, Chapter 429 requires that the city engineer, or another person with similar skills, prepare what is commonly called a "feasibility report." (Bond attorneys require a certified copy of a feasibility report before issuing bonds to finance a local improvement.) The feasibility report must cover such factors as whether the project is necessary, the availability of money in the general fund to pay the city's share of the cost, an estimate of that cost, whether the improvement is cost effective, and any other information necessary for council consideration.

Note: If someone other than a city employee prepares the report, the law prohibits using a percentage of the costs of the proposed improvement as a basis to pay for the report. The feasibility report must also include the estimated cost of the improvement as recommended. Since a reasonable estimate of the total amount to be assessed, and a description of the methodology used to calculate individual assessments for affected parcels, must be available at the hearing, it could be part of the commissioned report. The feasibility report is integral to the assessment process. Best practice suggests that the city council pass a resolution receiving the report and provide preliminary notice of the improvement.

RELEVANT LINKS:

C. Initial considerations

Overall the law requires two public hearings commonly known as an improvement hearing and an assessment hearing; in between these two public hearings councils may order the improvement, decide how to construct the project and tabulate an assessment roll. This Guide outlines some initial considerations, describes the improvement hearing, discusses ordering and constructing the improvement; and subsequently addresses the assessment hearing.

1. Determining benefit districts

See Section I-B: *The special benefit test.*

Determining what area benefits from improvement projects, or the area against which the city will levy assessments, is a major policy decision for the city council. The benefit district (or assessment district) varies with the kind of improvement. For some improvements, such as a new water tank, the area benefited might be very large. In levying an assessment to finance the tank's construction, for example, the council might assess the entire area the tank services. The special benefit test still applies. City staff, city engineers, consultants and attorneys may provide the basis for council to determine what area or district to assess for a specific improvement because that area benefits from the improvement.

2. City's share

Minn. Stat. § 429.061, subd. 1.

LMC model, *Resolution Declaring Cost to Be Assessed and Ordering Preparation of Proposed Assessment* (Form 12).

Minn. Stat. § 429.051, applied in *In Re Mackubin St.*, 279 Minn. 193, 155 N.W.2d 905 (1968).

See Section I-B: *The special benefit test.*

At any time before or after the city actually incurs expenses for the improvement, the council must pass a resolution determining how much the city plans to pay (above and beyond what it may decide to pay for city-owned property in the assessment area) and separate from amounts to be assessed. Cities may assess the cost of an improvement to property benefited whether or not any part of the cost of the improvement is paid from the county state-aid highway fund, the municipal state-aid street fund or the trunk highway fund. Best practice suggests the council work with an appraiser and an attorney to determine the appropriate city share of a particular project.

The council must also decide, with consultation from staff and consultants, which cost allocation methodology most nearly equates costs and benefit. Such methodology is often described as unit or area charges and involves classification of assessed properties. (The third prong of the benefit test requires a uniform assessment applied to the same class of property, in the assessed area). Methodology may address the treatment of corner and odd-shaped lots. Many cities have adopted a policy of paying for all intersections, crosswalks, curb returns, and similar parts of public improvement projects not immediately fronting on private property. Other communities distribute the same costs over the benefited area.

RELEVANT LINKS:

3. Non-abutting property

Normally, cities assess all properties abutting or bordering on the improvement, but the council may wish to levy assessments against adjacent, non-abutting properties if the properties benefit from the improvement.

LMC model, *Resolution Ordering Installation of Service Lateral for Sewer and Water in Advance of Street Paving* (Form 8).

Minn. R. 7560.0100, subp. 12.
Minn. R. ch. 7560.

See LMC information memo, *Acquisition and Maintenance of City Streets*.

4. Service laterals

City utility ordinances often require that property owners maintain private water or sewer service laterals. "Service lateral" means an underground facility that is used to transmit, distribute, or furnish gas, electricity, communications, or water from a common source to an end-use customer. A service lateral is also an underground facility that is used in the removal of wastewater from a customer's premises. When an improvement project requires new service laterals, and the city's ordinance assigns responsibility for service laterals to property owners, the city may require that property owners install or replace them. If the property owner fails to do so, the city may (with notice) install or replace the service lateral and charge the cost to the property owner. Note: under state utility marking rule, cities must locate the portion of the service lateral within the public right-of-way.

Minn. Stat. § 429.031, subd 3.

See Section II-A-1, *Initiation of proceedings by petition*.

5. May omit improvement hearing

The council may omit the improvement hearing if 100 percent of the affected landowners sign the petition requesting the improvement. Cities should be aware that the law is not as clear on omitting a public hearing where the city pays for any portion of the petitioned for local improvement. In that case, where landowners do not pay all the costs of the local improvement, cities may still want to hold both public hearings.

Minn. Stat. § 429.021, subd. 2.

6. Two or more simultaneous local improvements

If a city proposes undertaking two or more local improvements simultaneously the city does not need to issue separate notices and hold separate improvement hearings.

An improvement on two or more streets or two or more types of improvement in or on the same street or streets or different streets may be included in one proceeding and conducted as one improvement.

Minn. Stat. § 462.356, subd. 2.

7. Local planning agency review

If a city has a comprehensive plan, the council may not approve a capital improvement project until the local planning agency reviews whether the improvement complies with the comprehensive plan and reports its findings to the council in writing.

RELEVANT LINKS:

(Capital improvement simply means the basic facilities, services, and installations needed for the functioning of a city, including transportation, water, storm water, wastewater plants and pipes, and so on). The council may -- by resolution adopted by two-thirds vote -- dispense with this requirement to send the capital improvement to the local planning agency for review if, in the council's judgment, it finds that the proposed capital improvement has no relationship to the comprehensive plan.

D. Prepare for the improvement hearing

The purpose of the first hearing is for the council to discuss a specific local improvement before ordering it done. The council considers all the information in the feasibility report and any other information necessary for council deliberation.

1. Publish notice of the improvement hearing

Minn. Stat. § 429.031, subd. 1(a).

LMC model, *Notice of Hearing on Improvement* (Form 6).

The city must publish notice of the initial public hearing (the improvement hearing) on the proposed project twice in the official newspaper, stating the time and place of the hearing, the general nature of the improvement, the estimated cost, and the area proposed to be assessed. The notices must appear at least one week apart. At least three days must elapse between the last publication date and the date of the hearing.

2. Mail notice of improvement hearing

Minn. Stat. § 429.031, subd. 1(a).

The city must mail a notice once to each property owner in the proposed assessment area, at least 10 days prior to the improvement hearing that states the time and place of the hearing, the general nature of the improvement, the estimated cost and the proposed assessment area. The notice must also contain a statement that a reasonable estimate of the cost of the assessment will be available at the hearing.

Klapmier v. Town of Center, 346 N.W.2d 133 (Minn. 1984).

Cities will want to use great care when notifying citizens about assessment proceedings. An accurate description of the assessment area is important. The law requires detailed and careful notification to communicate which property owners face paying assessments for local improvements.

According to the statute, failure to give mailed notice of the improvement hearing will not invalidate subsequent assessment proceedings. In spite of this statutory language one case found that failure to include the correct information in mailed notices invalidated the entire special assessment proceeding on that property.

Minn. Stat. § 429.031, subd. 1.
See Section V: Tax-*exempt property*.

Tax exempt properties or those not listed on county tax records potentially pose problems for cities when notifying property owners about public hearings regarding special assessments.

RELEVANT LINKS:

Minn. Stat. § 303.10.

Minn. Stat. § 435.19, subd. 2.

Cities may use any "practicable means" to determine the owners of such property. This could include mailing notice to the owner's principal office in the state or the owner's registered business office. Notice to other governmental entities must be sent out at least two weeks before the improvement hearing, by registered or certified mail to the head of the instrumentality, department or agency having jurisdiction over the property.

E. Improvement hearing

In re Channel Lane, 444 N.W.2d 602 (Minn. Ct. App. 1989).
Minn. Stat. § 429.031, subd. 1.

At the improvement hearing, interested persons may voice their concerns, whether or not they are in the proposed assessment area. A reasonable estimate of the total amount to be assessed and a description of the methodology used to calculate individual assessments for affected parcels must be available at the hearing. If the council rejects the project, it may not reconsider that same project unless another hearing is held following the required notice. The council must prepare a record of the proceedings and make written findings.

Minn. Stat. § 429.031, subd. 1(f).

The council may adjourn and subsequently continue the improvement hearing. To provide proper notice, before the improvement hearing is adjourned, the council must state on the record, the date, time and place of the continuation of the improvement hearing, if any.

F. Ordering the improvement

Minn. Stat. § 429.031, subd. 1(f).

LMC model, *Resolution Ordering Improvement and Preparation of Plans* (Form 7).

A resolution ordering the improvement may be adopted at any time within six months after the date of the improvement hearing. This resolution may reduce, but not increase, the extent of the improvement as stated in the notice of hearing. As a practical matter, if the cost of improvement and thus the amount to be assessed changes by at least 25%, council might wish to hold the improvement hearing again.

1. Vote requirements for ordering the improvement

Minn. Stat. § 429.031, subd. 1(f).

If the improvement is made pursuant to a legally sufficient petition from property owners, the council adopts the resolution by a simple majority vote of all members of the council.

Nastrom v. City of Blaine, 515 N.W.2d 374, (Minn. 1994).

LMC model, *Alternative Resolution Ordering Improvement and preparation of Plans* (Form 7-Alt).

If there is not a petition, adoption requires a "super-majority" vote, meaning the council can only adopt the resolution by a four-fifths vote of all members of the council. (If the mayor of a charter city has no vote or votes only in case of a tie, the mayor is not considered a member for the purpose of determining a four-fifths majority vote).

RELEVANT LINKS:

Minn. Stat. § 462.356.

There is another voting quirk tangentially related to ordering the improvement; as noted above, if a city with a comprehensive plan determines that the improvement has no relationship to the plan, it need not send the proposed capital improvement to the planning agency for review; however, the council must adopt such a resolution by a two thirds vote.

2. Time limits for local improvements

Minn. Stat. § 429.031, subd. 1(f).

The resolution ordering the improvement may be adopted at any time within six months after the date of the improvement hearing.

Minn. Stat. § 429.041, subd. 1.
Minn. Stat. § 435.191.
See Section I-C: *Practical points to consider.*

Either arrangements for day labor or a contract must be made within one year of adopting the resolution ordering the improvement -- unless the council specifically states a different timeframe in the resolution ordering the improvement.

G. Competitive bidding

The law permits the council to carry out, in advance of the assessment hearing, virtually all the necessary steps prior to actually issuing a contract for the improvement. Thus, if the council wishes to provide firm estimates of costs at the improvement (first) hearing, it may, in addition to the required preliminary report, prepare completed plans and specifications, advertise for bids, and open and tabulate them before the assessment (second) hearing.

LMC model, *Resolution Approving Plans and Specifications and Ordering Advertisement for Bids* (Form 9).

Once a city council orders a public improvement, staff or consultants prepare the necessary plans and specifications and the council either:

- Contracts for all or part of the work to be performed by outside parties, or
- Orders all or part of the work to be done by day labor (city employees) and merely contracts for any necessary materials and equipment.

LMC information memo, *Competitive Bidding Requirements in Cities.*

In either case, contracting law applies. Consult the city attorney to coordinate the contracting process in combination with the special assessment process and remember to include the city's right to reject all bids in advertisements and bid specifications.

1. Performance by contract

Minn. Stat. § 429.041, subd. 2.

The uniform municipal contracting law, or competitive bidding process, applies to most contracts for local improvements.

RELEVANT LINKS:

LMC model, *Advertisement for Bids* (Form 10).

Minn. Stat. § 429.041, subd. 4.
See LMC information memo, *Competitive Bidding Requirements in Cities*.

If a contract is likely to exceed $175,000, cities must use municipal contracting procedures, which include the “best value” alternative in some situations. There is an exception to the competitive bidding requirement; the council may order the use of day labor (city employees) discussed subsequently for grading, graveling or bituminous surfacing of streets and alleys regardless of the estimated cost.

Minn. Stat. § 429.041, subd. 1.

Minn. Stat. § 331A.01, subd. 11.

Chapter 429 is very specific in bid advertisement requirements. If the estimated cost exceeds $175,000, the city must advertise for bids for the improvement in the newspaper or a “recognized industry trade journal” for however long the council deems advisable. A “recognized industry trade journal” is defined as a printed or digital publication or Web site that contains building and construction news of interest to contractors in this state, or that publishes project advertisements and bids for review by contractors or other interested bidders in its regular course of business. If the estimated cost exceeds $350,000, publication must be made no less than three weeks before the last day for submission of bids once in the newspaper and at least once in either a newspaper published in a city of the first class or a recognized industry trade journal.

Minn. Stat. § 429.041, subd. 1.
See Section I-C-1, *Coordinating procedure.*
Minn. Stat. § 429.041, subd. 2.

Cities should remember that citizens may challenge special assessments in district court. If a court reduces the amount of a special assessment, the city has less money than anticipated to pay for the work. For this reason, cities may want to coordinate the timing of the competitive bidding process and the special assessment process.

LMC model, *Resolution Accepting Bid* (Form 20).

Minn. Stat. § 429.041, subd. 2.

LMC model *Contract* (Form 21).
Minn. Stat. § 574.26, subd. 2.

LMC model, *Contractor’s Performance Bond* (Form 22).
LMC model, *Contractor’s Payment Bond* (Form 23).

When contracting for an improvement, the council must require the execution of one or more written contracts which comply with relevant public contracting law. Also, contractors must give the city both performance and payment bonds.

RELEVANT LINKS:

A.G. memorandum to public officials (Feb. 22, 1974).

The council must award the contract to the lowest responsible bidder or it may reject all bids. Note: the attorney general suggests that cities should take great care in specifying the contractual obligations of both parties in bid advertisements. Cities may want to address the city's right to reject all bids in the bid advertisements and in the bid specifications. If any bidder to whom a contract is awarded fails to enter promptly into a written contract and to furnish the required bond, the defaulting bidder shall forfeit to the municipality the amount of the defaulter's cash deposit, cashier's check, bid bond, or certified check, and the council may then award the contract to the next lowest responsible bidder.

Minn. Stat. § 429.041, subd. 6.

LMC model, *Engineer Estimate for Partial Payment* (Form 24).

LMC model, *Engineer Recommendation for Final Acceptance* (Form 26).
LMC model, *Resolution Accepting Work* (Form 27).

State law governs ongoing payments to contractors performing work on local improvements. Cities may retain 5 percent of the amount the contractor actually earns each month. The percentage retained protects the city's interest in getting the work done satisfactorily. The city engineer recommends to the council when such retained funds should be released and final payment made to the contractor. The city council may accept the work by resolution. However, if the city fails to pay the amount due within 30 days of a monthly estimate, or 90 days after the final estimate, the city must pay interest on the past due amount as prescribed by law.

Minn. Stat. § 270C.66.

Minnesota Department of Revenue Contractor Affidavit Requirements.

Note: Cities may not make final payment to a contractor until the contractor has shown proof of compliance with the state income tax withholding requirements. The Department of Revenue requires all contractors and subcontractors to file a Form IC-134 to show compliance with the withholding requirements. This certificate is the contractor's proof of compliance. A city should request a copy of this document from contractors before making the final payment on a contract.

Minn. Stat. § 429.041, subd. 2.

LMC model, *Order to Suspend Work* (Form 25).
LMC model, *Resolution Approving Plans and Ordering Day Labor,* (Form 28).
LMC model, *Detailed Report on Construction Work by Day Labor* (Form 30).

If the contractor improperly constructs or unreasonably delays work on the local improvement, the council may order suspension of the work at any time and re-let the contract, or order reconstruction of any portion of the work improperly done. If the cost of completing or reconstructing the improvement is less than $175,000, the council may do it by use of day labor.

Minn. Stat. § 429.041, subd. 7.

LMC model, *Proposal for Local Improvement* (Form 11).

Chapter 429 provides that once work begins on an improvement involving a unit price contract, the council may, without advertising for bids, authorize changes to include additional units of work at the same unit price. This may be done, however, only if the additional work costs no more than 25 percent of the "original contract price." To determine the "original contract price" multiply the estimated number of units required by the unit price.

RELEVANT LINKS:

2. Day labor

Minn. Stat. § 429.041, subd. 1 and 2.

See LMC model forms 28 – 32 for performing work by day labor.

Using day labor, or city employees, means there is no contract to bid out for labor but there may be a contract to bid for materials and equipment. The city may use day labor in the following situations:

Minn. Stat. § 429.041, subd. 2.

- the estimated contracts are under $175,000, or
- the improvement is grading, graveling or bituminous surfacing of streets and alleys, or
- there are no bidders on the project, or
- if the only bids the council receives exceed the estimated cost of the project.

Even using day labor, however, the city must get bids for purchases of materials or equipment worth more than $175,000.

Minn. Stat. § 429.041, subd. 2.

The council may have the work performed by day labor supervised by the city engineer or other qualified person. However, council must have the work supervised by a registered engineer if done by day labor and it appears to the council that the entire cost of all work and materials for the improvement will be more than $25,000.

Minn. Stat. § 429.041, subd. 3.

LMC model, *Detailed Report on Construction Work by Day Labor,* Form 30.

When the council orders construction work done by day labor it must require a detailed report indicating that the work was done according to the plans and specifications, or, if there were any deviations from them, an itemized statement of those deviations. This report must be certified by the registered city engineer (or other person in charge if there is no registered engineer). The report must also show:

- the complete cost of the construction.
- final quantities of the various units of work done.
- materials furnished for the project and the cost of each item thereof.
- cost of labor, cost of equipment hired, and supervisory costs.

H. Prepare the proposed assessment rolls

Minn. Stat. § 429.061, subd. 1. See Section I-B: *The special benefit test.*

LMC model, *Resolution Declaring Cost to be Assessed and Ordering Preparation of Proposed Assessment* (Form 12).

The city clerk, with the assistance of the engineer or other qualified person selected by the council, prepares the proposed assessment rolls. (Cities should seriously consider retaining the services of a qualified and licensed appraiser to help assure that the amount of the special assessment does not exceed the increase in market value accruing to the property as a result of the public improvement project). While there are no specific directions in the law on the subject of making up the assessment roll, it should contain:

RELEVANT LINKS:

- A legal description of each lot or tract assessed, including an address according to tax records;
- The name of the owner according to tax records unless the records are known to be inaccurate, and
- The total amount assessed against each lot or tract; and (4) the parcel identification number of each parcel.

The assessment should be a complete statement including each installment with the interest. Ditto marks should not be used.

I. Prepare for the assessment hearing

LMC model, *Resolution for Hearing on Proposed Assessment,* Form 13.

The purpose of the second hearing, commonly known as the assessment hearing, is to give property owners an opportunity to express concerns about the actual special assessment. Best practice suggests cities pass a resolution setting the date and time of the assessment hearing and directing that the city clerk publish and mail notice about the assessment hearing. This resolution need not be published.

1. Publish notice of the assessment hearing

Minn. Stat. § 429.061, subd. 1.

LMC model, *Notice of Hearing on Proposed Assessment* (Form 14 - modify slightly, see FN 2).

At least once and at least two weeks before the assessment hearing, the city must publish notice of the hearing in the city newspaper or, if no city newspaper exists, in a county seat newspaper. The published notice must include the hearing time, date, place, overall project description, area to be assessed, total cost of the improvement, a description of a landowner’s right to appeal the assessment, and any deferment options, if available.

2. Mail notice of the assessment hearing

Minn. Stat. § 429.061, subd. 1.
Klapmier v. Town of Center, 346 N.W.2d 133 (Minn. 1984).

LMC model, *Notice of Hearing on Proposed Assessment* (Form 14).

At least two weeks before the hearing the city must also mail notice of the hearing to each affected property owner. This mailed notice must include the amount of the special assessment against the individual parcels, a description of the landowner’s right to appeal the assessment, possible prepayment provisions, and the interest rate on the assessments. (Note: Certain properties (e.g., railroads) may not be reflected on the county’s records because these property owners pay no state property tax. To provide notice, cities may need to search other records for such owners). For the assessment hearing, failure to comply with the requirements for published and mailed notice invalidates the assessments.

RELEVANT LINKS:

Minn. Stat. § 429.061, subd 1.

LMC model, *Optional Affidavit of Mailing Assessment Hearing Notice* (Form 14-Opt.).

Because specific mailed notice of the assessment is important at this stage of the process, best practice suggests the clerk execute an affidavit attesting to the mailing to property owners.

J. Assessment hearing

Minn. Stat. § 429.061, subd. 2.

The assessment hearing may be adjourned and continued to another time. If the assessment hearing is adjourned provide proper notice by stating on the record, the date, time and place of the continuation of the hearing.

1. Resolution adopting assessment roll

Minn. Stat. § 429.061, subd. 2.

LMC model, *Resolution Adopting Assessment* (Form 15).

Metropolitan Airports Com'ns v. Bearman, 716 N.W.2d 403 (Minn. Ct. App. 2006).
Minn. Stat. § 272.32.
Minn. Stat. § 272.37.

At the assessment hearing the council shall hear and consider all objections to the proposed assessment, whether presented orally or in writing. The council has some flexibility before it adopts the assessment roll and may change, or amend, the proposed assessment as to any parcel. Council must, by resolution, adopt the same as the special assessment against the lands named in the assessment roll.

Once the assessment roll is adopted the assessments are set and become liens against the properties listed. The council must prepare a record of the proceedings and written findings as to the amount of the assessment roll at this hearing.

2. Notice to affected landowners

Imperial Refineries of Minnesota, Inc. v. City of Rochester, 282 Minn. 481, 165 N.W.2d 699 (1969),

The statute does not require notification of affected landowners, either by publication or personally, of the final approval of the assessment. While the Minnesota Supreme Court has held that the notices of hearing on the improvement and on the assessment satisfied the requirement of due process without the constitutional need for a notice of the final approval of the assessment, the council may wish to provide for such notice on grounds of fairness to the property owner as well as to avoid the possibility of judicial challenge in the future if the courts continue to expand the concept of due process in such cases. In any event, the notice of the assessment hearing must state that the owner may appeal his/her assessment to the district court within 30 days after the adoption of the assessment.

3. Council decides interest on special assessments

Minn. Stat. § 429.061, subd. 2.
Minn. Stat. § 475.55, subd. 3.

Special assessments may bear interest at any rate the council determines, (unless a charter sets limits on interest rates for assessments).

RELEVANT LINKS:

In setting the rate, the council should make sure there is a reasonable relationship between the assessment interest rate and the bond interest rate if the city issued bonds to finance the project. If the city finances the project with funds on hand without using bonds, the council will want to look at the interest rate the city would otherwise have earned on the funds.

4. Council decides payment timelines

Minn. Stat. § 429.061, subd. 2.

The council must also decide the number of years over which the property owners may pay the assessment. The statutes permit payment over a period of not more than 30 years. Council may wish to consider the life expectancy of the improvement when selecting the payment period for the assessments.

See Section II-D-2: *Mail notice of assessment hearing.*

LMC model, *Notice of Final Assessment,* (Form 16).

Minn. Stat. § 429.061, subd. 2.

Generally, the law does not require that the city send a final notice of assessment to property owners if the amount assessed is the same as that listed in the previously mailed assessment hearing notice. However, the clerk must notify property owners of any change if the final assessment amount differs from the proposed assessment as to any particular lot, piece or parcel of land. The clerk must also notify owners by mail of any changes in interest rates or prepayment requirements the council adopts that differ from those contained in the previously mailed notice of the proposed assessment.

III. Challenges by property owners

Minn. Stat. § 429.081.

Minn. Stat. § 278.01 subd. 3.

The law sets out discrete timelines and procedures for challenging a city's special assessment. For the most part, objections must be raised at or before the assessment hearing. Only those who object at this stage may proceed to appeal an assessment to the district court. Further, these provisions for appeals to the district court are the exclusive method of appeal from a special assessment levied under the local improvement code. Thus, it is not possible to contest such an assessment under the statute providing for contesting property tax levies.

A. Objections

Minn. Stat. § 429.061, subd. 2.
Minn. Stat. § 429.081.

No one can formally object to, or appeal, the amount of an assessment unless the property owner signs a written objection and files it with the city clerk prior to the assessment hearing or presents it to the presiding officer at the hearing. Property owners subject to proposed special assessments must be informed of this requirement in the mailed notice. They should also be reminded of the requirement at the hearing itself.

Habel v. City of Chisago City, 346 N.W.2d 668 (Minn. Ct. App. 1984).

Any objections to the assessments not received at the public assessment hearings in the manner prescribed are waived, unless the failure to object at the assessment hearing is due to a "reasonable cause." Reasonable cause is not defined in statute and has not received in-depth judicial analysis.

RELEVANT LINKS:

B. Appeals to the district court

Minn. Stat. § 429.081.

Within 30 days after the adoption of the assessment roll, a property owner who has properly objected to the assessment may appeal a special assessment to the district court. The property owner appeals by serving notice upon the mayor or city clerk and then filing the served notice with the district court within 10 days of that service. The city clerk is required to furnish the person appealing a certified copy of objections filed in the assessment proceedings, the assessment roll or part complained of, and all papers necessary to present the appeal.

See Section I-B.

If a city's assessment is challenged in district court, the assessment roll constitutes initial proof that an assessment does not exceed the special benefit. The party contesting the assessment must introduce evidence sufficient to overcome that presumption. If the evidence as to the special benefit is conflicting it is the responsibility of the district court to determine whether the assessment exceeds the market value increase and, if so, by what amount.

Minn. Stat. § 429.081.

Pres. Ass'n v. City of Eden Prairie, 421 N.W.2d 419, 420 (Minn. Ct. App. 1988).

State v. Roselawn Cemetery Association, 259 Minn. 479, 108 N.W.2d 305 (1961).

The appeal is placed upon the calendar of the next general term of the district court, commencing more than five days after the date of serving the notice, and is tried like other appeals in such cases. If the person appealing does not win his/her case, the court must award the city its costs of the appeal (other than attorney fees). All objections to the assessment are waived unless presented on such appeal except the defense of payment or exemption of the property from assessment. On appeal the district court must either affirm the assessment or set it aside and order a reassessment.

See Section I-C-1.

As discussed previously, if the city coordinates the competitive bid process with the special assessment process, the city now proceeds with the actual work of the project after certification of the assessment roll and the 30-day appeal period is over. Because the time for appeals is over before the contract is issued, the city will not need to cover potential budget shortfalls that may occur if a property owner successfully challenges a special assessment or the lowest bid comes in higher than expected.

IV. Levying and collecting assessments and interest

Minn. Stat. § 429.061, subd. 3.

Metropolitan Airports Com'ns v. Bearman, 716 N.W.2d 403 (Minn. Ct. App. 2006).

Assessment rolls are lists for each assessment project containing a description of each parcel of property, including the parcel identification number (PID), the name of the property owner, and the amount of the assessment. The clerk should prepare a separate assessment roll for each improvement project prior to the assessment hearing. At or after the assessment hearing, the council must officially adopt the roll by resolution and then the clerk must certify it to the county auditor.

RELEVANT LINKS:

Minn. Stat. § 429.061, subd. 3.

LMC model, *Certificate to County Auditor* (Form 17).

There are two ways for a city to collect assessments:

- The city clerk, on council direction, certifies a duplicate copy of the assessment roll and sends it to the county auditor who spreads the assessments every year for collection with taxes.
- The city clerk retains the assessment roll in his or her office and annually certifies to the county auditor the total amount of principal and interest due on special assessments from each parcel of property for the following years.

In the first method, the certification of assessments should be filed with the county auditor on or before Nov. 30 if the auditor is to spread the first installment on the books for collection the following year. The auditor is then responsible for spreading the assessment against the properties every year that an installment payment is due. This is the preferred method for two reasons. First, it eliminates the clerk having to do an annual computation and, thus, avoids errors in later years.

Second, once all the assessments have been certified, the city may retain the ability to collect the assessments if the land is forfeited due to nonpayment of property taxes, or the owner declares bankruptcy.

Minn. Stat. § 429.061, subd. 3.

LMC model, *Alternate Certificate to County Auditor* (Form 17-Alt.).

If the council prefers the second method it may direct the clerk to file all the special assessment rolls in the clerk's office, and to certify annually to the county auditor only the total amount of principal and interest due on special assessments from each parcel of property for the following year. The clerk must certify all assessments to the county auditor on or before Nov. 30 if the auditor is to spread the first installment on the books for collection in the following year.

A. Payment of assessments and interest

Minn. Stat. § 429.061, subd. 3.

Once the clerk has prepared the special assessment roll and the council has approved it, property owners initially have two options:

- either pay the total amount of their assessment immediately, or
- pay the assessments in annual installments (with interest) under the terms set by the council.

Minn. Stat. § 429.061, subd. 3.

Alternatively, the property owner can:

- Pay the entire amount of the assessment within 30 days after the council adopts the assessment rolls. In this situation, the city cannot charge any interest.
- Pay the entire amount at any time after 30 days, but before any certification to the county auditor. The property owner pays only the amount of interest accrued as of the date of payment.

RELEVANT LINKS:

- At any time after the certification, the property owner may still pay the entire remaining unpaid amount to the county treasurer. However, the property owner must pay the entire remaining unpaid amount of the assessment before Nov. 15 of any year, and must also pay all interest accrued until the end of that calendar year.

Minn. Stat. § 429.061, subd. 3.

The council may authorize, by ordinance, partial prepayment of assessments prior to certification to the county auditor.

See Section II-J-3: *Council decides interest on special assessments.*

If the property owner elects not to pay the entire amount of the assessment at once, he or she may pay it in annual installments spread over the number of years the council has allowed. As noted previously, postponement of payment may require city borrowing to pay for the improvement so the city must add an interest charge to each year's assessment payment.

Minn. Stat. § 462.353, subd. 5.

As an added collection tool, a city may require payment of all delinquent assessments before granting a building permit, a conditional use permit, variance, or a zoning change. The city must notify residents of this requirement in an ordinance or in the application materials used to request such a change or permit.

B. Postponed assessments

Minn. Stat. § 429.051.
Minn. Stat. § 429.052.

Postponed assessments occur when a city pays the cost of a local improvement, and delays assessing one or more benefited properties. Postponed assessments are not generally a good idea as they are not liens against the property and the city may not recoup what has already been spent on a project. If a city wishes to eventually reimburse itself for improvement costs by applying postponed assessments, those assessments may only be collected if 1) the property was not previously assessed for the project, and 2) the property owners were provided notice and hearing at the same time as those whose assessments were not postponed. A successful appeal of the assessment leaves the city with less money to pay for the completed project.

Given that concern, there are certain situations where the council may postpone the assessment of the cost of water, storm sewer, sanitary sewer, and street construction or road improvements until a later date. Such situations include:

Minn. Stat. § 429.051.

- Property is unplatted and undeveloped; the owner will subdivide or otherwise make it available for building sites in the future.
- The city cannot immediately use a trunk main because of the absence of laterals.

Minn. Stat. § 429.052.

Street or road improvements may be completed outside the city's jurisdiction with the consent of either the affected township (or if the property is located in unorganized territory, the county) and then assessed when later annexed into the city.

RELEVANT LINKS:

This would likely only make sense if the land was soon to be annexed. And as above, these postponed assessments cannot be collected unless the property eventually being assessed was given the notice and hearing of the improvements at the time the improvement was ordered (provided under Minn. Stat. § 429.031), and subsequently in accordance with the notice, hearing, and appeal rights (provided for under Minn. Stat. §§ 429.061 and 429.081).

C. Deferred assessments

Minn. Stat. § 429.061, subd. 2.

Deferred assessments are certified to the county auditor, but collection is deferred. All deferred assessments constitute liens on the property and must be paid within 30 years of the assessment levy. Interest on the assessments discussed subsequently, may be paid or deferred. Cities are authorized to let a property owner defer paying a certified assessment until a later date, provided the property owner or the property meets certain criteria.

There are three types of authorized deferrals:

- undeveloped property.
- senior citizen, permanent and total disability and military service deferrals.
- green acres.

1. Notice of deferred assessments

LMC model, *Certificate to County Recorder of Deferred Assessments* (Form 19).

Minn. Stat. § 429.061, subd. 2.

The law requires that cities record deferred special assessments with the county recorder. A certificate of the deferred assessment must contain the legal description and the parcel identification number (PID) of the affected property and the amount deferred.

2. Interest on deferred assessments

Minn. Stat. § 429.061, subd. 2.

The city also determines, by ordinance or resolution, the amount of interest on deferred assessments. Property owners may pay interest either annually during the period of deferment, or when the assessment becomes payable. In the resolution deferring the assessment, the council may forgive interest for the deferment years through Dec. 31 of the year before the first installment is due. The county auditor records deferred interest as well as deferred assessments.

RELEVANT LINKS:

3. Deferrals for undeveloped property

Minn. Stat. § 429.061, subd. 2.

For undeveloped property it is better to defer an assessment than to postpone it because the city will eventually recoup costs. The council must include all benefited property in the proceedings. At the meeting where the council approves the assessment, it may levy the assessment but defer the first installment of the assessment for unimproved property until a designated future year, or until the platting of the property or the construction of improvements. The council may set, by resolution, terms, conditions, standards, and criteria for the deferral and future payments. The city must file a certificate with the county recorder stating the legal description of property subject to deferred assessments, and the amount of the deferred assessment.

4. Deferrals for senior citizens, people with disabilities and members of the military

Minn. Stat. §§ 435.193 to 435.195.

When adopting a special assessment, a city council has authority to defer the payment of that assessment for any homestead property owned by a person 65 or older or retired by virtue of a permanent and total disability for whom it would be a hardship to make the payments.

Minn. Stat. § 190.05, subd, 5b or 5c.

Cities may also defer assessment payments for property owned by a member of the Minnesota National Guard (or other military reserves) ordered into active military service if it would be a hardship for that person to make the payments. If the city grants the deferment, it must notify the register of deeds of the deferment. The council may determine the amount of interest charges on the deferred assessment.

The deferment ends and all accumulated amounts (plus applicable interest, if any) become due upon the death of the owner (if the spouse is not otherwise eligible for the deferment); the sale, transfer or subdivision of any part of the property; loss of homestead status on the property; or the council's determination that immediate or partial payment would impose no hardship.

Minn. Stat. § 435.193.

Minn. Stat. § 429.061, subd. 1.

The council must adopt an ordinance or resolution establishing general rules for granting deferments to senior citizens, people with disabilities or members of the military including guidelines for determining the existence of a hardship. If the council follows a policy of deferring payment of assessments in hardship cases, it must include a notice of that fact in the notice of the proposed assessment.

5. Deferrals for green acres

Minn. Stat. § 273.111, subds. 3, 3a and 11.

"Green acres" law requires deferrals for certain agricultural or specialized use property (such as a nursery or a greenhouse).

RELEVANT LINKS:

Minn. Stat. § 273.111.

To defer these assessments on agricultural property, a city must file a certificate with the county recorder stating the legal description of property subject to deferred assessments and the amount of the deferred assessment. Agricultural deferrals follow different procedures in addition to those in Chapter 429. In addition, property must meet strict requirements to qualify for tax benefits as agricultural property. Consult the city attorney to ensure the property qualifies.

D. Abandoned improvements

Minn. Stat. § 435.202, subd. 1.

If a city abandons a local improvement project before completion the city must notify the collecting agent for the special assessment (either the city treasurer or more likely, the county auditor). Upon notification, the auditor or treasurer must cancel collection of all payments and interest not already collected, or in the process of collection. This law does not preclude a city reassessing the same properties benefitted by the improvement.

Minn. Stat. § 435.202, subd. 2.

Once the city council decides to abandon an improvement project, the clerk must notify citizens of that fact. The notice must describe the local improvement; state that is has been abandoned and may provide information on refunds. The city may, but is not required to, refund payments to any person who files a substantiated claim within six months of the abandonment notice.

Claims may be paid from funds collected for the improvement or from the general fund. However, abandoning the improvement does not alleviate the city's obligation to make bond and bond interest payments related to the project.

Minn. Stat. § 435.202, subd. 3.

Funds collected for the abandoned improvement must be transferred to the general fund if they are not canceled, refunded, or needed to pay the cost of the improvement or needed for bond payments.

See A.G. Op. 480-B (April 26, 1954).

In most cases, if the council abandons the local improvement in the early stages, before any assessments are levied, the city must pay the costs associated with the proceedings, even if a petition initiated them.

V. Tax-exempt property

Minn. Const. Art. X, § 1. Minn. Stat. § 429.061, subd. 4. *In re Front Street Sewer Assessment*, 138 Minn. 67, 163 N.W. 978 (1917). *Ramsey County v. Trustees of Macalester College*, 87 Minn. 165, 91 N.W. 484 (1902). *Washburn Mem'l Orphan Asylum v. State*, 73 Minn. 343, 76 N.W. 204 (1898).

The tax exemptions the Minnesota Constitution grants to religious, charitable, and educational institutions do not prevent special assessments against these types of property. Most privately owned cemeteries churches, hospitals, schools, and similar institutions must pay special assessments. Railroads in Minnesota are not exempt from special assessments.

RELEVANT LINKS:

Minn. Stat. § 306.14, subd. 2.
Oakland Cemetery Ass'n v. City of St. Paul, 36 Minn. 529, 32 N.W. 781 (1887).
State v. Crystal Lake Cemetery Ass'n, 155 Minn. 187, 193 N.W. 170 (1923).

Public cemeteries are usually exempt from special assessments, but private, for-profit cemeteries must pay them.

Minn. Stat. § 307.09.

Land dedicated as a private cemetery by a private person or a religious corporation is exempt to a certain extent.

A. Other governmental lands

A.G. Op. 408-C (Sept. 21, 1953).
Minn. Stat. § 435.19.

Property owned by the United States government is exempt from assessments for local improvements. Regarding the property of any other governmental unit, cities may levy special assessments against such property to the same extent as if the property were privately owned. For this purpose, "governmental unit" refers to all cities (except First Class cities) towns, school districts, public utility corporations, and counties. If the unit does not pay the amount of an assessment against it, the city may recover the money in a civil action.

Minn. Stat. § 435.19, subds. 2, 3.

In the case of state-owned property, or property owned by First Class cities, the city should determine the amount it would assess the land if it were privately owned. Before making this determination, the city must hold a public hearing on the proposed assessment.

Minn. Stat. § 3.754.

The hearing must take place at least two weeks after giving notice by registered or certified mail to the head of the department or agency having jurisdiction over the property. The council's determination is not binding, however, and if the state agency or the other city decides the measure of benefit is a lesser amount, it may pay the lesser amount. Note that other law requires agencies or departments which feel they were "unfairly assessed" to contact particular legislative committee members for review of the assessment. Ideally state agencies and departments negotiate assessments prior to commencement of the project.

B. Collecting assessments from tax-exempt or railroad property

Minn. Stat. § 429.061, subd. 4.

LMC model, *Notice of Assessment Against Public Corporation* (Form 18).
Minn. Stat. § 429.061, subd. 4.

When the council approves an assessment bill, the city mails notice to the owners of tax-exempt or railroad property so long as the property benefits from the improvement. The notice specifies the amount payable under the assessment and the conditions for payment, including the number and the amount of each installment, the rate of interest, and the penalties for default. Interest does not accrue until 30 days after the mailed notice is given. If the assessment is not paid in a single installment, the law requires that the city annually mail a payment reminder to certain owners. These are:

RELEVANT LINKS:

- the owner of any railroad;
- a utility right-of-way owner, or
- to the owner of any public property (another governmental unit).

Minn. Stat. § 429.061, subd. 4.

Technically the law allows a city to collect the amount due from the owner of any railroad or privately-owned public utility by a seizing and selling personal property. Consult the city attorney before using this collection method.

Minn. Stat. § 435.19.

State-owned land, such as state parks and recreational land may be notified of the amount it will be charged for a special assessment. The state, however, cannot be required to pay special assessments against state-owned land, although it may agree to do so.

VI. Corrections

Minn. Stat. § 429.071. *Independent Sch. Dist. No. 254 v. City of Kenyon,* 411 N.W.2d 545 (Minn. Ct. App. 1987).

After a city has made special assessments, it is sometimes possible to correct errors or make other changes either by levying supplemental assessments, ordering a reassessment for the entire project or reapportioning an assessment.

A. Supplemental assessments

Minn. Stat. § 429.071, subd. 1. *In re Meyer*, 158 Minn. 433, 199 N.W. 746 (1924).

If, because of omissions or errors in the assessment of any improvement, the council wishes to increase the amount of assessments, it may levy supplemental assessments. The council may levy these assessments only after giving property owners notice and a chance to be heard at a public hearing. Requirements are the same as those for the original assessment and owners may appeal the supplemental assessment.

B. Reassessments

Minn. Stat. § 429.071, subd. 2.

The council may order reassessment of all properties affected by special assessment levy for any of the following reasons:

- To reassess property when the courts nullify the original assessment.
- To validate an assessment that the city attorney feels the city may have made improperly or not in compliance with jurisdictional requirements.
- To reduce assessments the city later determined to be excessive.

C. Reapportionment

When a city levies a special assessment against land that is later subdivided, the council may, on its own motion or on application of the owner of any part of the tract, equitably apportion the unpaid portion of the assessment among the lots.

RELEVANT LINKS:

Minn. Stat. § 429.071, subd. 3.

When a city levies a special assessment against land that is later subdivided, the council may, on its own motion or on application of the owner of any part of the tract, equitably apportion the unpaid portion of the assessment among the lots. The council must determine that the apportionment will not impair collection of the balance due. If the city has pledged the assessment toward payment of bonds, the council must require that the property owners furnish surety bonds.

D. Tax-forfeited land returned to private ownership

Minn. Stat. § 429.071, subd. 4.
Minn. Stat. § 444.076.
Minn. Stat. § 435.23.
Minn. Stat. § 435.19, subd. 2.
Singer v. Minneapolis, No.C5-97-1265 (Minn. Ct. App. Nov. 10, 1997) (unpublished decision).

When tax-forfeited land returns to private ownership, and the parcel benefitted from an improvement for which the city canceled special assessments because of the forfeiture, the city may, with the same notice and hearing as for the original assessment, assess or reassess the parcel. The assessment amount would be equal to the amount remaining unpaid on the original assessment. Any city may reassess or make a new assessment on tax-forfeited land that returns to private ownership. A city can specially assess state-owned tax-forfeited land while it is owned by the state. The state has the option of paying the assessment or not, but the assessment can be collected from someone who acquires title to the property from the state in the future.

VII. Borrowing for special assessment purposes

For more information on bonding, see Handbook, *Debt and Borrowing*.

Cities collect most special assessment revenue over a period of several years. Consequently, cities often obtain funds for public improvement projects from bond issues. The city pays off the bonds as the funds become available through collection of the assessments and any taxes the city levied especially for that purpose.

There are three kinds of debt instruments cities use for special assessment purposes, none of which count in determining the net debt of the city. (Net debt refers to the total outstanding debt of the city subject to the city debt limit).

Improvement bonds are the first kind of debt instrument cities use for special assessments. Payment of these bonds is backed by the special assessments the city has levied and by the general taxing power of the city.

Improvement warrants are the second kind of debt instrument. These differ from improvement bonds in that they are not backed by the taxation power of the city. Improvement warrants are payable only from the assessments against the affected property owners. Because improvement bonds are more readily marketable at a lower rate of interest than improvement warrants, very few cities issue improvement warrants.

RELEVANT LINKS:

The council may also issue and sell temporary bonds at any time before completion of a public improvement project. These obligations must mature within three years, and are payable from the proceeds of the regular improvement bonds the city must issue by the maturity of the temporary bonds. Temporary bonds are subject to redemption and repayment of any interest due on 30 days mailed notice to registered holders.

Unlike improvement warrants, some cities frequently issue temporary improvement bonds. By issuing these bonds, cities can postpone the issuance of the regular special assessment bonds. There are two other advantages:

- The city may consolidate several improvement projects into a single bond issue.
- The city reduces the chance of excessive borrowing by delaying the long-term bond issue until it knows all the costs of a project.

Frequently, cities will purchase their own temporary improvement bonds with surplus cash available in other funds, such as a liquor or utilities fund. This results in savings of interest and other investment expenses.

Minn. Stat. § 429.091, subds. 3, 4.

The city may issue regular improvement bonds or warrants after ordering one or more improvements. Generally, cities issue them before the work is complete and before determining the final cost. If the city uses this procedure and the cost estimate turns out to be higher than actual costs the city may use the surplus funds to finance any other improvements it started under Chapter 429, or it may transfer the surplus to the fund used for the repayment of the bonds themselves. If the cost estimate is too low, the city may sell additional bonds.

Minn. Stat. § 429.091, subd. 1.

If the city is involved with several public improvements at the same time under Chapter 429, it may be advisable to consolidate all necessary financing into a single issue of improvement bonds or warrants, even if the city did not consolidate the assessment proceedings. Such a substantial block of bonds is often more readily marketable than several smaller issues.

Minn. Stat. § 429.091, subd. 3.
Minn. Stat. § 475.58, subd. 1(3).

Although in most cases the special benefit test limits the percentage of the cost of the improvement that can be assessed, an election is required for bonds if less than 20 percent of the cost is to be assessed against the benefitted property. Put another way, if the city itself is to pay 80 percent or more of the cost through its general funds, the voters must approve the bond issue on the improvement project.

If some funding for an improvement project comes from county or federal sources, the application of the 20 percent is less clear. Consult the city attorney and bond counsel for specific legal advice on this question.

RELEVANT LINKS:

Minn. Stat. § 429.091, subd. 3.

In a resolution authorizing a bond issue, the council must decide the bond maturity, denominations, interest rate, and form. The factors the council should consider in fixing such terms include the marketability of the bonds, the anticipated collection of the assessments, and the need for future bond issues under the comprehensive city plan and the capital improvement budget.

Before it can deliver the bonds or warrants to the purchaser, the council must levy a general tax for the payment of that portion of the cost not covered by the special assessment levies.

The council must make any tax levy for this purpose irrevocable for as long as the bonds or warrants are outstanding. While the council cannot repeal the levy until after all the principal and interest are paid, it may reduce the tax in any year if a surplus occurs in the sinking fund from which the city pays the improvement bonds.

A. Interest on improvement bonds

Minn. Stat. § 429.091, subd. 3.

Bonds may carry any interest rate the council determines. In effect, the market determines the interest rate cities will pay on bonds.

B. Interest on special assessments

Minn. Stat. § 429.061, subd. 2.
Minn. Stat. § 475.55, subd. 3.
See Section II-J-3: *Council decides interest on special assessment.*

As noted previously special assessments may bear interest at any rate the council determines, unless the charter sets interest limits on the rates for assessments. In setting interest rates on assessments, the council should make sure there is a reasonable relationship between the assessment interest rate and the bond interest rate if the city issued bonds to finance the project. If the city finances the project with funds on hand without using bonds, the council will want to look at the interest rate the city would otherwise have earned on the funds.

VIII. Charter cities

Minn. Stat. § 429.111.
A.G. Op. 59-B-14, (June 26, 1956).
Minn. Stat. § 429.021, subd. 3.

Generally, any city operating under a home rule charter may proceed either under Chapter 429 or under its charter in making an improvement, unless a home rule charter or amendment taking effect after April 17, 1953 provides for an improvement under Chapter 429 or the charter exclusively. If a city proceeds under its charter, the city council should consult the city attorney to ensure that the charter procedure complies with Chapter 429 where state law so requires. Some specific areas to consider are as follows:

A. Special benefit test

See Section I-B: *The special benefit test.*

The special benefit rule applies to charter cities.

RELEVANT LINKS:

Again, the special benefit rule requires that the amount of special assessments to a parcel of property cannot exceed the increase in market value of that property because of the improvement.

B. Assessing unpaid charges

Minn. Stat. § 429.101.
See Section I-F-2: *Assessing unpaid special service charges.*

The law specifically lists the special services that cities can specially assess if not paid by the property owner or occupant. Statutory cities cannot add to this list, but charter cities may be able to add to it by charter amendment.

C. Voting requirements

Minn. Stat. § 429.031, subd.1(f).
See Section II-F-1: *Voting requirements for ordering the improvement.*

If there is no petition for the local improvement, statutory city councils must adopt the resolution ordering an improvement with a "super-majority" vote. This means the council can only adopt the resolution by a four-fifths vote of all members of the council. If the mayor of a charter city has no vote or votes only in case of a tie, the mayor is not considered a member for the purpose of determining a four-fifths majority vote.

D. Notice of right to appeal

Minn. Stat. § 429.061, subd. 1.
Minn. Stat. § 429.021, subd. 3.
See Section II-D-1: *Publish notice of assessment hearing.*

Even if the city follows charter procedures, state law requires that charter cities send the same notices of proposed assessments to inform property owners of the procedures they must follow under the charter in order to appeal the assessments to district court.

E. Deferrals

Minn. Stat. § 429.021, subd. 3.
See Section IV-C: *Deferred assessments.*

If the city offers deferments, notices of proposed assessments must tell property owners about deferments and how to procure them. Like statutory cities, charter cities may choose to offer deferrals to those who are 65 years of age or older or retired by virtue of a permanent and total disability.

F. Day labor

Minn. Stat. § 429.021, subd. 3.

State law considers charter provisions as requiring that the council issue the contract for all or part of the work, or order all or part of the work done by day labor, no later than one year after the adoption of the resolution ordering such improvement–unless the council specifically states a different time limit in the resolution ordering the improvement.

Appendix A: Special Assessment Checklist

The following is a suggested checklist that may be useful in helping to ensure that every step in the process of making the local improvement, assessment of the cost, and financing is done as required. In no way does it diminish the necessity of checking with the city attorney throughout the process to assure legal compliance. Some of the steps will be omitted in some projects, others in different projects, but these can be crossed off when not applicable in the individual case. Where certain steps are never done locally, as where the financing steps are the responsibility of an outside consultant, these may be omitted altogether from the list. Additional steps may be put in the list – for example, to list both the preparation of the notice of hearings and of their affidavits of publication.

No checklist of this kind is legally required. For proceedings where some steps are combined for a number of projects, the form as drawn may be cumbersome and perhaps impractical.

SPECIAL ASSESSMENT CHECKLIST[1]

Download the forms from the League website.

Steps to Follow	Completed by Whom	Date
1) Petition received (Forms 1-3)		
2) Resolution declaring adequacy of petition and order in preparation of feasibility report (Form 4, 4-Alt.)		
3) Feasibility report (preliminary report and cost estimate)		
4) Resolution accepting report and calling for hearing (Form 5)		
5) Publication of notice of improvement hearing (Form 6)		
6) Mailing notice to affected property owners (Form 6)		
7) Minutes of public hearing showing testimony and findings		
8) Resolution ordering improvement and preparation of plans (Forms 7, 7-Alt, 8)		
9) Resolution approving plans and ordering advertisements for bids (Form 9)		
10) Publication of advertisement for bids (Form 10)		
11) Preparation of contract proposal (Form 11)		

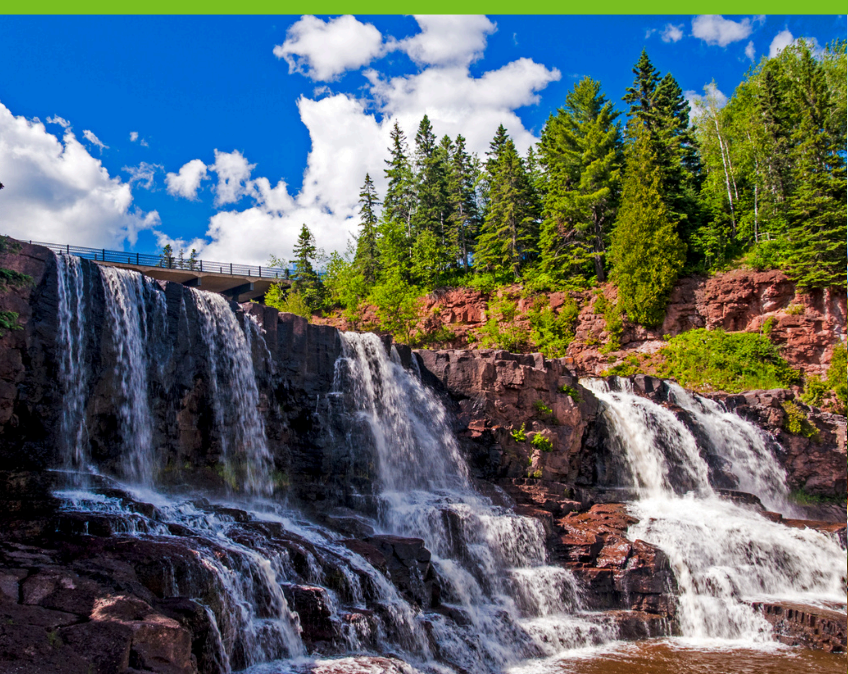
Steps to Follow	Completed by Whom	Date
12) Preparation of assessment roll (Form 12)		
13) Resolution for hearing on proposed assessment (Form 13)		
14) Publication of notice of assessment hearing (Form 14)		
15) Mailing notice to affected property owners (Form 14-Opt.)		
16) Minutes of public hearing showing testimony and findings		
17) Resolution adopting assessment (Form 15)		
18) Notice of final assessment (NOTE: This may be an optional step. See Form 16, FN1)		
19) Certification of assessment to county auditor (Form 17, 17-Alt.) (NOTE: If annual certification plan is followed, the clerk may wish to include a separate sub-step for each year)		
20) Notice of assessment against public corporation (Form 18)		
21) Resolution accepting bid and awarding contract (Form 20)		
22) Contract (Form 21)		
23) Receipt of contractor's performance and payment bonds (Forms 22 and 23)		
24) Engineer's recommendation for final acceptance (Form 26)		
25) Resolution accepting work (Form 27) (NOTE: If work is sometimes done by day labor, additional steps might be added here based on Forms 28 to 32.)		
26) Resolution of issuance of temporary improvement bonds		
27) Advertisement for bids for temporary improvement bonds		
28) Affidavit of publication of advertisement for bids for temporary improvement bonds		
29) Resolution awarding contract for temporary improvement bonds (NOTE: Steps 27, 28, 29 may be omitted if city invests in its own temporary improvement bonds. If temporary bonds are not used, Step 26 may be omitted also.)		

Steps to Follow	Completed by Whom	Date
30) Resolution for issuance of improvement bonds a. Advertisement for bids for improvement bonds b. Affidavit of publication of advertisement for bids for improvement bonds		
31) Resolution awarding contract for improvement bonds		
32) Resolution prescribing bond form and making tax levy		
33) Certified copy to county auditor		
34) Certificate of county auditor		
35) Signature and no litigation certificate		
36) Treasurer's receipt and delivery certificates		

[1] In the event that assessment occurs after awarding the contract, Steps 12-20 (Forms 12-18) would take place beginning after Step 29.

MINNESOTA
OFFICE OF CANNABIS MANAGEMENT

A Guide for Local Governments on Adult-Use Cannabis




Version 1.4
Updated August 2024

Table of Contents

Introduction 3
About OCM 4
Cannabis License Types 5
Adult-Use Cannabis Law 7
Cannabis Licensing Process... 8
General Authorities 10
Zoning and Land Use 12
Local Approval Process 15
Inspections and Compliance Checks 18
Municipal Cannabis Stores 19
Creating Your Local Ordinance 20
Additional Resources 21

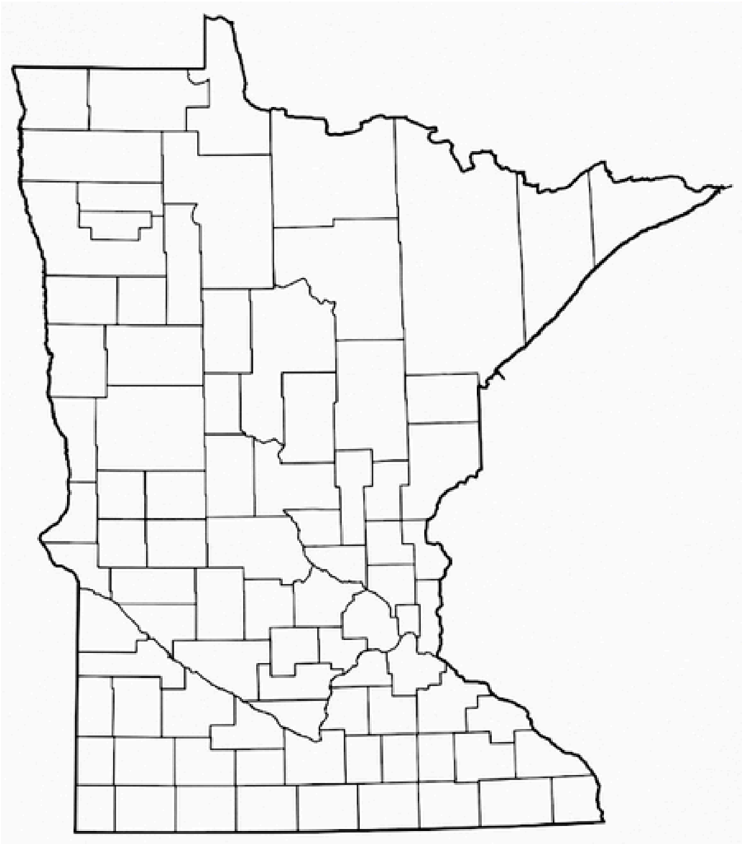
Introduction

This guide serves as a general overview of **Minnesota's new adult-use cannabis law**, and how **local governments** can expect to be involved. The guide also provides important information about Minnesota's new Office of Cannabis Management (OCM), and the office's structure, roles, and responsibilities. While medical cannabis continues to play an important role in the state's cannabis environment, this guide is primarily focused on the adult-use cannabis law and marketplace.

The following pages outline the variety of cannabis business licenses that will be issued, provide a broad summary of important aspects of the adult-use cannabis law, and cover a wide range of expectations and authorities that relate to local governments. This guide also provides best practices and important requirements for developing a local cannabis ordinance.

Chapter 342 of Minnesota law was established by the State Legislature in 2023 and was updated in 2024. Mentions of "adult-use cannabis law" or "the law" throughout this guide refer to Chapter 342 and the changes made to it.

As of this guide's date of publication, state regulations governing the adult-use cannabis market have not yet been published—**this document will be updated** when such regulations become effective.



This guide is not a substitute for legal advice, nor does it seek to provide legal advice. Local governments and municipal officials seeking legal advice should consult an attorney.

About OCM

Minnesota's **Office of Cannabis Management** is the state regulatory office created to oversee the implementation and regulation of the adult-use cannabis market, the medical cannabis market, and the consumer hemp industry. Housed within OCM are the **Division of Medical Cannabis** (effective July 1, 2024), which operates the medical cannabis program, and the **Division of Social Equity**, which promotes development, stability, and safety in communities that have experienced a disproportionate, negative impact from cannabis prohibition and usage.

MINNESOTA
OFFICE OF CANNABIS MANAGEMENT

OCM, through Chapter 342, is tasked with establishing rules and policy and exercising its regulatory authority over the Minnesota cannabis industry. In its duties, OCM is mandated to:

- Promote public health and welfare.
- Protect public safety.
- Eliminate the illicit market for cannabis flower and cannabis products.
- Meet the market demand for cannabis flower and cannabis products.
- Promote a craft industry for cannabis flower and cannabis products.
- Prioritize growth and recovery in communities that have experienced a disproportionate, negative impact from cannabis prohibition.

OCM governs the application and licensing process for cannabis and hemp businesses, specific requirements for each type of license and their respective business activities, and conducts enforcement and inspection activities across the Minnesota cannabis and hemp industries.

License Types

Minnesota law allows for **13** different types of business licenses, each fulfilling a unique role in the cannabis and hemp supply chain. In addition to license types below, OCM will also issue endorsements to license holders to engage in specific activities, including producing, manufacturing, and sale of medical cannabis for patients.

Microbusiness

Microbusinesses may cultivate cannabis and manufacture cannabis products and hemp products, and package such products for sale to customers or another licensed cannabis business. Microbusiness may also operate a single retail location.

Mezzobusiness

Mezzobusinesses may cultivate cannabis and manufacture cannabis products and hemp products, and package such products for sale to customers or another licensed cannabis business. Mezzobusiness may also operate up to three retail locations.

Cultivator

Cultivators may cultivate cannabis and package such cannabis for sale to another licensed cannabis business.

Manufacturer

Manufacturers may manufacture cannabis products and hemp products, and package such products for sale to a licensed cannabis retailer.

Retailer

Retailers may sell immature cannabis plants and seedlings, cannabis, cannabis products, hemp products, and other products authorized by law to customers and patients.

Wholesaler

Wholesalers may purchase and/or sell immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from another licensed cannabis business. Wholesalers may also import hemp-derived consumer products and lower-potency hemp edibles.

License Types (continued)

Transporter

Transporters may transport immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products to licensed cannabis businesses.

Testing Facility

Testing facilities may obtain and test immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from licensed cannabis businesses.

Event Organizer

Event organizers may organize a temporary cannabis event lasting no more than four days.

Delivery Service

Delivery services may purchase cannabis, cannabis products, and hemp products from retailers or cannabis business with retail endorsements for transport and delivery to customers.

Medical Cannabis Combination Business

Medical cannabis combination businesses may cultivate cannabis and manufacture cannabis and hemp products, and package such products for sale to customers, patients, or another licensed cannabis business. Medical cannabis combination businesses may operate up to one retail location in each congressional district.

Lower-Potency Hemp Edible Manufacturer

Lower-potency hemp edible manufacturers may manufacture and package lower-potency hemp edibles for consumer sale, and sell hemp concentrate and lower-potency hemp edibles to other cannabis and hemp businesses.

Lower-Potency Hemp Edible Retailer

Lower-potency hemp edible retailers may sell lower-potency hemp edibles to customers.

Each license is subject to further restrictions on allowable activities. Maximum cultivation area and manufacturing allowances vary by license type. Allowable product purchase, transfer, and sale between licensees are subject to restrictions in the law.

The Adult-Use Cannabis Law

Minnesota's new adult-use cannabis law permits the personal use, possession, and transportation of cannabis by those 21 years of age and older, and allows licensed businesses to conduct cultivation, manufacturing, transport, delivery, and sale of cannabis and cannabis products.

For Individuals

- **Possession limits**:
  - Flower - 2 oz. in public, 2 lbs. in private residence
  - Concentrate - 8 g
  - Edibles (including lower-potency hemp) - 800 mg THC
- **Consumption** only allowed on private property or at licensed businesses with on-site consumption endorsements. Consumption not allowed in public.
- **Gifting** cannabis to another individual over 21 years old is allowed, subject to possession limits.
- **Home cultivation** is limited to four mature and four immature plants (eight total) in a single residence. Plants must be in an enclosed and locked space.
- **Home extraction** using volatile substances (e.g., butane, ethanol) is not allowed.
- **Unlicensed sales** are not allowed.

For Businesses

- **Advertising**:
  - May not include or appeal to those under 21 years old.
  - Must include proper warning statements.
  - May not include misleading claims or false statements.
  - Billboards are not allowed.
- The flow of all products through the supply chain must be tracked by the state-authorized **tracking system**.
- All products sold to consumers and patients must be **tested for contaminants**.
- **Home delivery** is allowed by licensed businesses.

The Cannabis Licensing Process

An applicant will take the following steps to proceed from application to active licensure. As described, processes vary depending on social equity status and/or whether the type of license being sought is capped or uncapped in the general licensing process.

License Preapproval: Early Mover Process for Social Equity Applicants

The license preapproval process is a one-time application process available for verified social equity applicants. State law requires OCM to open the application window on July 24, 2024, and close the window on August 12, 2024. The preapproval process is available for the following license types, and all are capped in this process: microbusiness, mezzobusiness, cultivator, retailer, wholesaler, transporter, testing facility, and delivery service.

Preapproval steps:

1. Applicant's social equity applicant (SEA) status verified.
2. Complete application and submit application fees.
3. Application vetted for minimum requirements by OCM.
4. Application (if qualified) entered into lottery drawing.
5. If selected in lottery, OCM completes background check of selected applicant and issues license preapproval.
6. Applicant with license preapproval* submits business location and amends application accordingly.
7. OCM forwards completed application to local government.
8. Local government completes certification of zoning compliance.
9. OCM conducts site inspection.
10. When regulations are adopted, license becomes active, operations may commence.

*For social equity applicants with license preapproval for microbusiness, mezzobusiness, or a cultivator license, they may begin growing cannabis plants prior to the adoption of rules if OCM receives approval from local governments in a form and manner determined by the office. This is only applicable to cultivation and does not authorize retail sales or other endorsed activities of the licenses prior to the adoption of rules.

The Cannabis Licensing Process (cont.)

The general licensing process will align with the adoption of rules and OCM will share more information about the timing of general licensing process. The general licensing process includes social equity applicants and non-social equity applicants.

General Licensing: Cultivator, Manufacturer, Retailer, Mezzobusiness

1. Complete application and submit application fees.
2. Application vetted for minimum requirements by OCM.
3. Application (if qualified) entered into lottery drawing.
4. If selected in lottery, OCM completes background check of selected applicant and issues preliminary approval.
5. Applicant with preliminary approval submits business location and amends application accordingly.
6. OCM forwards completed application to local government.
7. Local government completes certification of zoning compliance.
8. OCM conducts site inspection.
9. License becomes active, operations may commence.*

General Licensing: Microbusiness, Wholesaler, Transporter, Testing Facility, Event Organizer

1. Complete application and submit application fees.
2. Application vetted for minimum requirements by OCM.
3. For qualified applicants, OCM completes background check of vetted applicant and issues preliminary approval.
4. Selected applicant submits business location and amends application accordingly.
5. OCM forwards completed application to local government.
6. Local government completes certification of zoning compliance.
7. OCM conducts site inspection.
8. License becomes active, operations may commence.*

*For businesses seeking a retail endorsement (microbusiness, mezzobusiness, and retailer), a valid local retail registration is required prior to the business commencing any retail sales. See Page 16 for information on the local retail registration process.

General Authorities

Local governments in Minnesota have various means of oversight over the cannabis market, as provided by the adult-use cannabis law. Local governments may not issue outright bans on cannabis business, or limit operations in a manner beyond what is provided by state law.

Cannabis Retail Restrictions (342.13)

Local governments may limit the number of retailers and microbusiness/mezzobusinesses with retail endorsements allowed within their locality, as long as there is **at least one retail location per 12,500 residents**. Local units of government are not obligated to seek out a business to register as cannabis business if they have not been approached by any potential applicants, but cannot prohibit the establishment of a business if this population requirement is not met. Local units of government may also issue more than the minimum number of registrations. Per statutory direction, a municipal cannabis store (Page 19) cannot be included in the minimum number of registrations required. For population counts, the state demographer estimates will likely be utilized.

Tribal Governments (342.13)

OCM is prohibited from and will not issue state licenses to businesses in Indian Country without consent from a tribal nation. Tribal nations hold the authority to license tribal cannabis businesses on tribal lands – this process is separate than OCM's licensing process and authority. Subject to compacting, Tribal nations may operate cannabis businesses off tribal lands. There will be more information available once the compacting processes are complete.

Taxes (295.81; 295.82)

Retail sales of taxable cannabis products are subject to the state and local sales and use tax and a 10% gross receipts tax. Cannabis gross receipts tax proceeds are allocated as follows: 20% to the local government cannabis aid account and 80% to the state general fund. Local taxes imposed solely on sale of cannabis products are prohibited.

Cannabis retailers will be subject to the same real property tax classification as all other retail businesses. Real property used for raising, cultivating, processing, or storing cannabis plants, cannabis flower, or cannabis products for sale will be classified as commercial and industrial property.

General Authorities (cont.)

Retail Timing Restrictions (342.13)

Local governments may prohibit retail sales of cannabis between the hours of 8 a.m. and 10 a.m. Monday-Saturday, and 9 p.m. and 2 a.m. the following day.

Operating Multiple Locations with One License

Certain cannabis licenses allow for multiple retail locations to be operated under a single license, with the following limitations:

- **Retailers**: up to five retail locations.
- **Mezzobusinesses**: up to three retail locations.
- **Microbusinesses:** up to one retail location.
- **Medical cannabis combination businesses**: one retail location per congressional district. Additionally, medical cannabis combination businesses may cultivate at more than one location within other limitations on cultivation.

For all other license types, one license permits the operation of one location. Each retail location requires local certification and/or registration.

Zoning and Land Use

Buffer Guidelines (342.13)

State law does not restrict how a local government conducts its zoning designations for cannabis businesses, except that they may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including playgrounds and athletic fields.

Zoning Guidelines

While each locality conducts its zoning differently, a few themes have emerged across the country. For example, cannabis manufacturing facilities are often placed in industrial zones, while cannabis retailers are typically found in commercial/retail zones. Cannabis retail facilities align with general retail establishments and are prohibited from allowing consumption or use onsite, and are also required to have plans to prevent the visibility of cannabis and hemp-derived products to individuals outside the retail location. Industrial hemp is an agricultural product, and should be zoned as such.

Cannabis businesses should be zoned under existing zoning ordinances in accordance with the license type or endorsed activities held by the cannabis business. Note that certain types of licenses may be able to perform multiple activities which may have different zoning analogues. In the same way municipalities may zone a microbrewery that predominately sells directly to onsite consumers differently than a microbrewery that sells packaged beer to retailers and restaurants, so too might a municipality wish to zone two microbusinesses based on the actual activities that each business is undertaking. Table 1, included on Pages 13 and 14, explains the types of activities that cannabis businesses might undertake, as well as, some recommended existing zoning categories.

Zoning and Land Use (cont.)

Table 1: Cannabis and Hemp Business Activities

Endorsed Activity	License Type Eligible to Do Endorsed Activity	Description of Activity	Comparable Districts	Municipal Considerations
Cultivation	Cultivator Mezzobusiness Microbusiness Medical Cannabis Combination	"Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts.	Indoor: Industrial, Commercial, Production Outdoor: Agricultural	Odor Potential need for transportation from facility Waste, water, and energy usage Security
Cannabis Manufacturing, Processing, Extraction	Manufacturer Mezzobusiness Microbusiness Medical Cannabis Combination	This group of endorsed activities turn raw, dried cannabis and cannabis parts into other types of cannabis products, e.g. edibles or topicals.	Industrial, Commercial, Production	Odor Potential need for transportation from facility Waste, water, and energy usage Security
Hemp Manufacturing	Lower-Potency Hemp Edible (LPHE) Manufacturing	These business convert hemp into LPHE edible prodcuts.	Industrial, Commercial, Production	Odor Waste, water, and energy
Wholesale	Wholesale Cultivator Manufacturer Mezzobusiness Microbusiness Medical Cannabis Combination	This activity and license type allows a business to purchase from a business growing or manufacturing cannabis or cannabis products and sell to a cannabis business engaged in retail.	Industrial, Commercial, Production	Need for transportation from facility Security

Zoning and Land Use (cont.)

Table 1: Cannabis and Hemp Business Activities (continued)

Endorsed Activity	License Type Eligible to Do Endorsed Activity	Description of Activity	Comparable Districts	Municipal Considerations
Cannabis Retail	Retailer Mezzobusiness Microbusiness Medical Cannabis Combination	This endorsed activity and license types allow a business to sell cannabis and cannabis products directly to consumers.	Retail, Neighborhood Shopping Districts, Light Industrial, Existing districts where off-sale liquor or tobacco sales are allowed.	Micros may offer onsite consumption, similar to breweries. Micros and Mezzos may include multiple activities: cultivation, manufacture, and/or retail.
Transportation	Cannabis Transporter	This license type allows a company to transport products from one license type to another.		Fleet based business that will own multiple vehicles, but not necessarily hold a substantial amount of cannabis or cannabis products.
Delivery	Cannabis Delivery	This license type allows for transportation to the end consumer.		Fleet based business that will own multiple vehicles, but not necessarily hold a substantial amount of cannabis or cannabis products.
Events	Event Organizer	This license entitles license holder to organizer a temporary event lasting no more than four days.	Anywhere that the city permits events to occur, subject to other restrictions related to cannabis use.	On site consumption. Retail sales by a licensed or endorsed retail business possible.

Local Approval Process

Local governments play a critical role in the licensing process, serving as a near-final approval check on cannabis businesses nearing the awarding of a state license for operations. Once an applicant has been vetted by OCM and is selected for proceeding in the verification process, they are then required to receive the local government's certification of zoning compliance and/or local retail registration before operations may commence.

Local Certification of Zoning Compliance (342.13; 342.14)

Following OCM's vetting process, local governments must **certify** that the applicant with preliminary approval has achieved **compliance with local zoning ordinances** prior to the licensee receiving final approval from OCM to commence operations.

During the application and licensing process for cannabis businesses, OCM will notify a local government when an applicant intends to operate within their jurisdiction and request a certification as to whether a proposed cannabis business complies with local zoning ordinances, and if applicable, whether the proposed business complies with state fire code and building code.

According to Minnesota's cannabis law, a local unit of government has 30 days to respond to this request for certification of compliance. If a local government does not respond to OCM's request for certification of compliance within the 30 days, the cannabis law allows OCM to issue a license. OCM may not issue the final approval for a license if the local government has indicated they are not in compliance.

OCM will work with local governments to access the licensing software system to complete this zoning certification process.

Local Approval Process (cont.)

Local Retail Registration Process (342.22)

Once the licensing process begins, local government registration applies to cannabis retailers or other cannabis/hemp businesses seeking a retail endorsement. Local governments must issue a retail registration after verifying that:

- The business has a valid license or license preapproval issued by OCM.
- The business has paid a registration fee or renewal fee to the local government;
  - Initial registration fees collected by a local government may be $500 or half the amount of the applicable initial license fee, whichever is less, and renewal registration fees may be $1,000 or half the amount of the applicable renewal license fee, whichever is less.
- The business is found to be in compliance with Chapter 342 and local ordinances.
- If applicable, the business is current on all property taxes and assessments for the proposed retail location.

Local registrations may also be issued by counties if the respective local government transfers such authorities to the county.

Determining a Process for Limiting Retail Registrations

If a local government wishes to place a limitation on the number of retailers and microbusiness/mezzobusinesses with retail endorsements allowed within their locality (as long as there is at least one retail location per 12,500 residents, see Page 10), state law does not define the process for a local government's selection if there are more applicants than registrations available. A few options for this process include the use of a lottery, a first-come/first-serve model, a rolling basis, and others. Local governments should work with an attorney to determine their specific process for selection if they wish to limit the number of licensed cannabis retailers per 342.13. Local governments are not required to limit the number of licensed cannabis retailers.

Local Approval Process (cont.)

Local governments are permitted specific authorities for registration refusal and registration suspension, in addition to—and not in conflict with—OCM authorities.

Registration and Renewal Refusals

Local governments may refuse the registration and/or certification of a license renewal if the license is associated with an individual or business who no longer holds a valid license, has failed to pay the local registration or renewal fee, or has been found in noncompliance in connection with a preliminary or renewal compliance check.

Local Registration Suspension (342.22)

Local governments may suspend the local retail registration of a cannabis business or hemp business if the business is determined to not be operating in compliance with a local ordinance authorized by 342.13 or if the operation of the business poses an immediate threat to the health and safety of the public. The local government must immediately notify OCM of the suspension if it occurs. OCM will review the suspension and may reinstate the registration or take enforcement action.

Expedited Complaint Process (342.13)

Per state law, OCM will establish an expedited complaint process during the rulemaking process to receive, review, read, and respond to complaints made by a local unit of government about a cannabis business. Upon promulgation of rules, OCM will publish the complaint process.

At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Within this process, if a local government notifies OCM that a cannabis business poses an immediate threat to the health or safety of the public, the office must respond within one business day.

Inspections & Compliance Checks

Local governments are permitted specific business inspection and compliance check authorities, in addition to—and not in conflict with—OCM authorities.

Inspections and Compliance Checks (342.22)

Local governments must conduct **compliance checks** for cannabis and hemp businesses holding retail registration **at least once per calendar year**. These compliance checks must verify compliance with age verification procedures and compliance with any applicable local ordinance established pursuant to 342.13. OCM maintains inspection authorities for all cannabis licenses to verify compliance with operation requirements, product limits, and other applicable requirements of Chapter 342.

Municipal Cannabis Stores

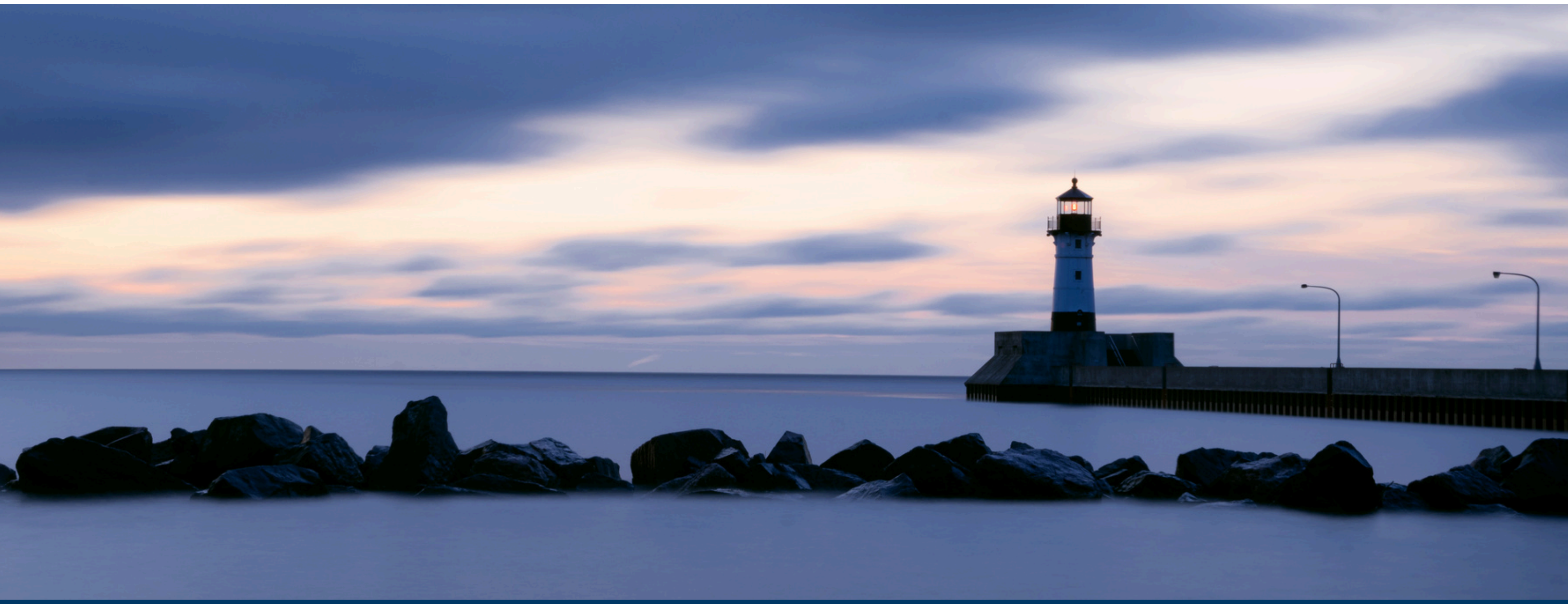
As authorized in Chapter 342.32, local governments are permitted to apply for a cannabis retail license to establish and operate a municipal cannabis store.

State law requires OCM issue a license to a city or county seeking to operate a single municipal cannabis store if the city or county:

- Submits required application information to OCM,
- Meets minimum requirements for licensure, and
- Pays applicable application and license fee.

A municipal cannabis store will not be included in the total count of retail licenses issued by the state under Chapter 342.

A municipal cannabis store cannot be counted as retail registration for purposes of determining whether a municipality's cap on retail registrations imposed by ordinance.



Creating Your Local Ordinance

As authorized in 342.13, a local government may adopt a local ordinance regarding cannabis businesses. Establishing local governments' ordinances on cannabis businesses in a timely manner is critical for the ability for local cities or towns to establish local control as described in the law, and is necessary for the success of the statewide industry and the ability of local governments to protect public health and safety. The cannabis market's potential to create jobs, generate revenue, and contribute to economic development at the local and state level is supported through local ordinance work. The issuance of local certifications and registrations to prospective cannabis businesses is also dependent on local ordinances.

- Local governments may not prohibit the possession, transportation, or use of cannabis, or the establishment or operation of a cannabis business licensed under state law.
- Local governments may adopt reasonable restrictions on the time, place, and manner of cannabis business operations (see Page 11).
- Local governments may adopt interim ordinances to protect public safety and welfare, as any studies and/or further considerations on local cannabis activities are being conducted, until January 1, 2025. A public hearing must be held prior to adoption of an interim ordinance.
- If your local government wishes to operate a municipal cannabis store, the establishment and operation of such a facility must be considered in a local ordinance.

Model Ordinance

For additional guidance regarding the creation of a cannabis related ordinance, please reference the addendum in this packet.

Additional Resources

OCM Toolkit for Local Partners

Please visit OCM webpage (mn.gov/ocm/local-governments/) for additional information, including a toolkit of resources developed specifically for local government partners. The webpage will be updated as additional information becomes available and as state regulations are adopted.

These resources are also included in the addendum of this packet.

Toolkit resources include:

- Appendix A: Model Ordinance
- Appendix B: Retail Registration Form and Checklist
- Appendix C: Hemp Flower and Hemp-Derived Cannabinoid Product Checklist
- Appendix D: Enforcement Notice from the Office of Cannabis Management
- Appendix E: Notice to Unlawful Cannabis Sellers

Local Organizations

There are several organizations who also have developed resources to support local governments regarding the cannabis industry. Please feel free to contact the following for additional resources:

- League of Minnesota Cities
- Association of Minnesota Counties
- Minnesota Public Health Law Center

Appendix A: Model Ordinance

Cannabis Model Ordinance

The following model ordinance is meant to be used as a resource for cities, counties, and townships within Minnesota. The italicized text in red is meant to provide commentary and notes to jurisdictions considering using this ordinance and should be removed from any ordinance formally adopted by said jurisdiction. Certain items are not required to be included in the adopted ordinance: 'OR' and (optional) are placed throughout for areas where a jurisdiction may want to consider one or more choices on language.

Section 1	Administration
Section 2	Registration of Cannabis Business
Section 3	Requirements for a Cannabis Business (Time, Place, Manner)
Section 4	Temporary Cannabis Events
Section 5	Lower Potency Hemp Edibles
Section 6	Local Government as a Retailer
Section 7	Use of Cannabis in Public

AN ORDINANCE OF THE (CITY/COUNTY OF ______) TO REGULATE CANNABIS BUSINESSES

The (city council/town board/county board) of (city/town/county) hereby ordains:

Section 1. Administration

1.1 Findings and Purpose

(insert local authority) makes the following legislative findings:

The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes (insert local authority) to protect the public health, safety, welfare of (insert local here) residents by regulating cannabis businesses within the legal boundaries of (insert local here).

(insert local authority) finds and concludes that the proposed provisions are appropriate and lawful land use regulations for (insert local here), that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

1.2 Authority & Jurisdiction

A county can adopt an ordinance that applies to unincorporated areas and cities that have delegated authority to impose local zoning controls.

(insert local authority) has the authority to adopt this ordinance pursuant to:

a) Minn. Stat. 342.13(c), regarding the authority of a local unit of government to adopt reasonable restrictions of the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.

b) Minn. Stat. 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.
c) Minn. Stat. 152.0263, Subd. 5, regarding the use of cannabis in public places.
d) Minn. Stat. 462.357, regarding the authority of a local authority to adopt zoning ordinances.

Ordinance shall be applicable to the legal boundaries of (insert local here).

(Optional) (insert city here) has delegated cannabis retail registration authority to (insert county here). However, (insert city here) may adopt ordinances under Sections (2.6, 3 and 4) if (insert county here) has not adopted conflicting provisions.

1.3 Severability

If any section, clause, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this ordinance shall not be affected thereby.

1.4 Enforcement

The elected body of a jurisdiction can choose to designate an official to administer and enforce this ordinance.

The (insert name of local government or designated official) is responsible for the administration and enforcement of this ordinance. Any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

1.5 Definitions

1. Unless otherwise noted in this section, words and phrases contained in Minn. Stat. 342.01 and the rules promulgated pursuant to any of these acts, shall have the same meanings in this ordinance.
2. Cannabis Cultivation: A cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant. harvest cannabis flower from mature plant, package and label immature plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.
3. Cannabis Retail Businesses: A retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, (and/excluding) lower-potency hemp edible retailers.

4. Cannabis Retailer: Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.
5. Daycare: A location licensed with the Minnesota Department of Human Services to provide the care of a child in a residence outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.
6. Lower-potency Hemp Edible: As defined under Minn. Stat. 342.01 subd. 50.
7. Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.
8. Place of Public Accommodation: A business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.
9. Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. 342.17.
10. Public Place: A public park or trail, public street or sidewalk; any enclosed, indoor area used by the general public, including, but not limited to, restaurants; bars; any other food or liquor establishment; hospitals; nursing homes; auditoriums; arenas; gyms; meeting rooms; common areas of rental apartment buildings, and other places of public accommodation.
11. Residential Treatment Facility: As defined under Minn. Stat. 245.462 subd. 23.
12. Retail Registration: An approved registration issued by the (insert local here) to a state-licensed cannabis retail business.
13. School: A public school as defined under Minn. Stat. 120A.05 or a nonpublic school that must meet the reporting requirements under Minn. Stat. 120A.24.
14. State License: An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

Section 2. Registration of Cannabis Businesses

A city or town can delegate authority for registration to the County. A city or town can still adopt specific requirement regarding zoning, buffers, and use in public places, provided said requirements are not in conflict with an ordinance adopted under the delegated authority granted to the County.

2.1 Consent to registering of Cannabis Businesses

No individual or entity may operate a state-licensed cannabis retail business within (insert local here) without first registering with (insert local here).

Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of (up to $2,000) for each violation.

Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

2.2 Compliance Checks Prior to Retail Registration

A jurisdiction can choose to conduct a preliminary compliance check prior to issuance of retail registration.

Prior to issuance of a cannabis retail business registration, (insert local here) (shall/shall not) conduct a preliminary compliance check to ensure compliance with local ordinances.

Pursuant to Minn. Stat. 342, within 30 days of receiving a copy of a state license application from OCM, (insert local here) shall certify on a form provided by OCM whether a proposed cannabis retail business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

2.3 Registration & Application Procedure

2.3.1 Fees.

(insert local here) shall not charge an application fee.

A registration fee, as established in (insert local here)'s fee schedule, shall be charged to applicants depending on the type of retail business license applied for.

An initial retail registration fee shall not exceed $500 or half the amount of an initial state license fee under Minn. Stat. 342.11, whichever is less. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.

Any renewal retail registration fee imposed by (insert local here) shall be charged at the time of the second renewal and each subsequent renewal thereafter.

A renewal retail registration fee shall not exceed $1,000 or half the amount of a renewal state license fee under Minn. Stat. 342.11, whichever is less.

A medical combination business operating an adult-use retail location may only be charged a single registration fee, not to exceed the lesser of a single retail registration fee, defined under this section, of the adult-use retail business.

2.3.2 Application Submittal.

The (insert local here) shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minn. Stat. 342.22.

- (A) An applicant for a retail registration shall fill out an application form, as provided by the (insert local here). Said form shall include, but is not limited to:
  - i. Full name of the property owner and applicant;
  - ii. Address, email address, and telephone number of the applicant;
  - iii. The address and parcel ID for the property which the retail registration is sought;
  - iv. Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. 342.13.
  - v. (Insert additional standards here)
- (B) The applicant shall include with the form:

i. the registration fee as required in [Section 2.3.1];
ii. a copy of a valid state license or written notice of OCM license preapproval;
iii. (Insert additional standards here)

(C) Once an application is considered complete, the (insert local government designee) shall inform the applicant as such, process the application fees, and forward the application to the (insert staff/department, or elected body that will approve or deny the request) for approval or denial.

(D) The application fee shall be non-refundable once processed.

2.3.3 Application Approval

(A) *(Optional)* A state-licensed cannabis retail business application shall not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under Section 2.6.

(B) A state-licensed cannabis retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this ordinance.

(C) A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.

2.3.4 Annual Compliance Checks.

The (insert local here) shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under [Minn. Stat. 342.22 Subd. 4(b) and Minn. Stat. 342.24] and this/these [chapter/section/ordinances].

The (insert local here) shall conduct at minimum one unannounced age verification compliance check at least once per calendar year.

Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

Any failures under this section must be reported to the Office of Cannabis Management.

2.3.5 Location Change

A jurisdiction may decide to treat location changes as a new registration, or alternatively treat a location change as allowable subject to compliance with the rest of the registration process.

A state-licensed cannabis retail business shall be required to submit a new application for registration under Section 2.3.2 if it seeks to move to a new location still within the legal boundaries of (insert local here).

or

If a state-licensed cannabis retail business seeks to move to a new location still within the legal boundaries of (insert local here), it shall notify (insert local here) of the proposed location change, and submit necessary information to meet all the criteria in this paragraph.

2.4 Renewal of Registration

The (insert local here) shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.

A state-licensed cannabis retail business shall apply to renew registration on a form established by (insert local here).

A cannabis retail registration issued under this ordinance shall not be transferred.

2.4.1 Renewal Fees.

The (insert local here) may charge a renewal fee for the registration starting at the second renewal, as established in (insert local here)'s fee schedule.

2.4.2 Renewal Application.

The application for renewal of a retail registration shall include, but is not limited to:

- Items required under Section 2.3.2 of this Ordinance.
- Insert additional items here

2.5 Suspension of Registration

2.5.1 When Suspension is Warranted.

The (insert local here) may suspend a cannabis retail business's registration if it violates the ordinance of (insert local here) or poses an immediate threat to the health or safety of the public. The (insert local here) shall immediately notify the cannabis retail business in writing the grounds for the suspension.

2.5.2 Notification to OCM.

The (insert local here) shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide (insert local here) and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

2.5.3 Length of Suspension.

A jurisdiction can wait for a determination from the OCM before reinstating a registration.

The suspension of a cannabis retail business registration may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended.

The (insert local here) may reinstate a registration if it determines that the violations have been resolved.

The (insert local here) shall reinstate a registration if OCM determines that the violation(s) have been resolved.

2.5.4 Civil Penalties.

Subject to Minn. Stat. 342.22, subd. 5(e) the (insert local here) may impose a civil penalty, as specified in the (insert local here)'s Fee Schedule, for registration violations, not to exceed $2,000.

2.6 Limiting of Registrations

A jurisdiction may choose to set a limit on the number of retail registrations within its boundaries. The jurisdiction may not however, limit the number of registrations to fewer than one per 12,500 residents.

(Optional) The (insert local here) shall limit the number of cannabis retail businesses to no fewer than one registration for every 12,500 residents within (insert local legal boundaries here).

(Optional) If (insert county here) has one active cannabis retail businesses registration for every 12,500 residents, the (insert local here) shall not be required to register additional state-licensed cannabis retail businesses.

(Optional) The (insert local here) shall limit the number of cannabis retail businesses to (insert number <= minimum required).

Section 3. Requirements for Cannabis Businesses

State Statutes note that jurisdictions may "adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business." A jurisdiction considering other siting requirements (such as a buffer between cannabis businesses, or a buffer from churches) should consider whether there is a basis to adopt such restrictions.

3.1 Minimum Buffer Requirements

A jurisdiction can adopt buffer requirements that prohibit the operation of a cannabis business within a certain distance of schools, daycares, residential treatment facilities, or from an attraction within a public park that is regularly used by minors, including a playground or athletic field. Buffer requirements are optional. A jurisdiction cannot adopt larger buffer requirements than the requirements here in Section 3.1. A jurisdiction should use a measuring system consistent with the rest of its ordinances, e.g. from lot line or center point of lot.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-1,000] feet of a school.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of a day care.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of a residential treatment facility.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(Optional) The (insert local here) shall prohibit the operation of a cannabis retail business within [X] feet of another cannabis retail business.

Pursuant to Minn. Stat. 462.357 subd. 1e, nothing in Section 3.1 shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a (school/daycare/residential treatment facility/attraction within a public park that is regularly used by minors) moves within the minimum buffer zone.

3.2 Zoning and Land Use

For jurisdictions with zoning, said jurisdiction can limit what zone(s) Cannabis businesses can operate in. As with other uses in a Zoning Ordinance, a jurisdiction can also determine if such use requires a Conditional or Interim Use permit. A jurisdiction cannot outright prohibit a cannabis business. A jurisdiction should amend their Zoning Ordinance and list what zone(s) Cannabis businesses are permitted in, and whether they are permitted, conditional, or interim uses. While each locality conducts its zoning differently, a few themes have emerged across the country. For example, cannabis manufacturing facilities are often placed in industrial zones, while cannabis retailers are typically found in commercial/retail zones. Cannabis retail facilities align with general retail establishments and are prohibited from allowing consumption or use onsite and are also required to have plans to prevent the visibility of cannabis and hemp-derived products to individuals outside the retail location. Cannabis businesses should be zoned under existing zoning ordinances in accordance with the license type or endorsed activities held by the cannabis business.

3.2.1. Cultivation.

Cannabis businesses licensed or endorsed for cultivation are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Manufacturer.

Cannabis businesses licensed or endorsed for cannabis manufacturer are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Hemp Manufacturer.

Businesses licensed or endorsed for low-potency hemp edible manufacturers permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Wholesale.

Cannabis businesses licensed or endorsed for wholesale are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Retail.

Cannabis businesses licensed or endorsed for cannabis retail are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Transportation.

Cannabis businesses licensed or endorsed for transportation are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Delivery.

Cannabis businesses licensed or endorsed for delivery are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.3 Hours of Operation

State law limits the retail sale of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products to the hours of:

- *Monday-Saturday: 8 a.m.-2 a.m. the following day*
- *Sunday: 10 a.m.-2 a.m.*

A local jurisdiction may adopt an ordinance prohibiting sales for any period between the hours of 8 a.m.-10 a.m. and between 9 p.m.-2 a.m. the following day, seven days a week.

(Optional) Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of (insert time here) and (insert time here).

3.4 (Optional) Advertising

Cannabis businesses are permitted to erect up to two fixed signs on the exterior of the building or property of the business, unless otherwise limited by (insert local here)'s sign ordinances.

Section 4. Temporary Cannabis Events

Any individual or business seeking to obtain a cannabis event license must provide OCM information about the time, location, layout, number of business participants, and hours of operation. A cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issued by a local unit of government before holding a cannabis event.

4.1 License or Permit Required for Temporary Cannabis Events

4.1.1 License Required.

A cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four days. A jurisdiction should determine what type of approval is consistent with their existing ordinances for events.

A license or permit is required to be issued and approved by (insert local here) prior to holding a Temporary Cannabis Event.

4.1.2 Registration & Application Procedure

A registration fee, as established in (insert local here)'s fee schedule, shall be charged to applicants for Temporary Cannabis Events.

4.1.3 Application Submittal & Review.

The (insert local here) shall require an application for Temporary Cannabis Events.

(A) An applicant for a retail registration shall fill out an application form, as provided by the (insert local here). Said form shall include, but is not limited to:
   - i. Full name of the property owner and applicant;
   - ii. Address, email address, and telephone number of the applicant;
   - iii. (Insert additional standards here)

(B) The applicant shall include with the form:
   - i. the application fee as required in (Section 4.1.2);
   - ii. a copy of the OCM cannabis event license application, submitted pursuant to 342.39 subd. 2.

The application shall be submitted to the (insert local authority), or other designee for review. If the designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.

(C) Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and forward the application to the (insert staff/department, or elected body that will approve or deny the request) for approval or denial.

(D) The application fee shall be non-refundable once processed.

(E) The application for a license for a Temporary Cannabis Event shall meet the following standards:

A jurisdiction may establish standards for Temporary cannabis events which the event organizer must meet, including restricting or prohibiting any on-site consumption. If there are public health, safety, or welfare concerns associated with a proposed cannabis event, a jurisdiction would presumably be authorized to deny approval of that event.

- Insert standards here

(G) A request for a Temporary Cannabis Event that meets the requirements of this Section shall be approved.

(H) A request for a Temporary Cannabis Event that does not meet the requirements of this Section shall be denied. The (insert city/town/county) shall notify the applicant of the standards not met and basis for denial.

(Optional) Temporary cannabis events shall only be held at (insert local place).

(Optional) Temporary cannabis events shall only be held between the hours of (insert start time) and (insert stop time).

Section 5. (Optional) Lower-Potency Hemp Edibles

A jurisdiction can establish different standards or requirements regarding Low-Potency Edibles. A jurisdiction can consider including the following section and subsections in their cannabis ordinance.

5.1 Sale of Low-Potency Hemp Edibles

The sale of Low-Potency Edibles is permitted, subject to the conditions within this Section.

5.2 Zoning Districts

If sales are permitted, a jurisdiction can limit what zone(s) the sales of Low-Potency Edibles can take place in. A jurisdiction can also determine if such activity requires a Conditional or Interim Use permit.

Low-Potency Edibles businesses are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

5.3 (Optional) Additional Standards

5.3.1 Sales within Municipal Liquor Store.

A jurisdiction that already operates a Municipal Liquor Store may sell Low-Potency Edibles within the same store.

The sale of Low-Potency Edibles is permitted in a Municipal Liquor Store.

5.3.2 Age Requirements.

A jurisdiction is able to restrict the sale of Low-Potency Edibles to locations such as bars.

The sale of Low-Potency Edibles is permitted only in places that admit persons 21 years of age or older.

5.3.3 Beverages.

The sale of Low-Potency Hemp Beverages is permitted in places that meet requirements of this Section.

5.3.4 Storage of Product.

A jurisdiction is able to set requirements on storage and sales of Low-Potency Edibles.

Low-Potency Edibles shall be sold behind a counter, and stored in a locked case.

Section 6. (Optional) Local Government as a Cannabis Retailer

(insert local here) may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this chapter.

The municipal cannabis retail store shall not be included in any limitation of the number of registered cannabis retail businesses under Section 2.6.

(insert local here) shall be subject to all same rental license requirements and procedures applicable to all other applicants.

Section 7. Use in Public Places

No person shall use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place or a place of public accommodation unless the premises is an establishment or an event licensed to permit on-site consumption of adult-use.

Appendix B: Retail Registration Form and Checklist

MINNESOTA
OFFICE OF CANNABIS MANAGEMENT

Retail Registration Form and Checklist

Local Unit of Government:

Business Name:

Business Address:

Minnesota Cannabis Business License Number:

Registration Period

Initial	Renewal
○ Cannabis Microbusiness ($0.00)	○ Cannabis Microbusiness ($1000.00)
○ Cannabis Mezzobusiness ($500.00)	○ Cannabis Mezzobusiness ($1000.00)
○ Cannabis Retailer ($500.00)	○ Cannabis Retailer ($1000.00)

Is Applicant Current on All Property Tax and Assessments at Retail Location:

○ Yes ○ No

Preliminary Local Ordinance Compliance: ○ Pass ○ Fail

Notes:

The above named applicant having paid the appropriate fees, being current on all applicable tax obligations, and having passed a preliminary compliance review, is authorized to engage in retail cannabis sales in the above named jurisdiction.

Approved By:

Title:

Date:

Appendix C: Hemp Flower and Hemp-Derived Cannabinoid Product Checklist

Office of Cannabis Management
Department of Health

Hemp Flower and Hemp-Derived Cannabinoid Product Checklist

Minnesota Statute 18K.02, Definitions
Minnesota Statute 152.01, Subdivision 9
Minnesota Statute 151.72, Sale of Certain Cannabinoid Products
Minnesota Statute 152.0264, Cannabis Sale Crimes
Minnesota Statute 342.09, Personal Adult Use of Cannabis

Question	Yes	No	Comments	Additional Information
Business License and Registration Compliance				
Is the business registered with the Minnesota Department of Health?				All businesses selling hemp-derived cannabinoid products must be registered. See [Hemp-Derived Cannabinoid Products (www.health.state.mn.us/people/cannabis/edibles/index.html)](www.health.state.mn.us/people/cannabis/edibles/index.html)
If the business offers on-site consumption, do they have a liquor license?				Local authorities issue on-site consumption licenses. These are required for all businesses permitting on-site consumption of THC.
Product Compliance – All Products				
Does the business ensure that all sales are made to persons 21 years old or older?				Only persons 21 years of age or older may purchase hemp-derived cannabinoid products, with the exception of topicals. These products may be sold to anyone.
Does the business have all edible cannabinoid products, except beverages, behind the counter or in a locked cabinet?				Businesses must ensure all edible cannabinoid products are secure and inaccessible to customers.

Question	Yes	No	Comments	Additional Information
Only delta-8 and delta-9 are allowed for human consumption. Does the business sell edibles or beverages with any other intoxicating cannabinoids?				MDH has identified products containing many different intoxicating cannabinoids, such as HHC, THC-O, THC-P, PHC, delta-10, delta-11, delta-8p, delta-9p, etc. The product must contain only delta-8 and/or delta-9.
Does the business sell any edible products that are similar to a product marketed to or consumed by children?				Edible products that appear similar to candy or snacks marketed toward or consumed by children are not allowed.
Does the label on the edible or beverage state "Keep out of reach of children"?				All products must include the warning label "Keep out of reach of children."
Is the manufacturer's name, address, website, and contact phone number included on the label or provided through a QR code?				If not, the product is not in compliance.
Does the QR code on the product bring the user to a Certificate of Analysis on the website, which includes the name of the independent testing laboratory, cannabinoid profile, and product batch number?				All products must be tested by batch in an independent, accredited laboratory. The results must include the cannabinoid profile.
Does the label on the product indicate the cannabinoids by serving and in total?				The label must indicate the potency by individual serving as well as in total.

Question	Yes	No	Comments	Additional Information
Does the label on the product make any claim the product offers any kind of health benefit?				Health claims are not permitted on hemp or cannabis products unless approved by the FDA. At this time, there is not an approved statement.
Does the label on the product state that the product does not claim to diagnose, treat, cure or prevent any disease?				The manufacturer cannot claim the product will provide any health benefit unless the product has been formally approved by the FDA.
Does the business sell CBD (or other forms of cannabidiol) in the form of a softgel, tablet, or tincture?				Non-intoxicating cannabinoids may only be sold in the form of an edible, beverage, or topical. Therefore, softgels and tablets cannot be sold. Tinctures must be labeled as either an edible or beverage and comply with the edible or beverage requirements.
Product Compliance – Edibles				
Does the edible product contain more than 5 mg delta-8 and/or delta-9 per serving?				Edibles may not exceed 5 mg delta-8 and/or delta-9 per serving.
Does the edible product package/container contain more than 50 mg total THC (delta-8 and/or delta-9)?				Edibles may not exceed 50 mg total delta-8 or delta-9 per package. The edible cannot contain any other form of THC or intoxicating cannabinoid.
Are all the edible product's servings clearly marked, wrapped, or scored on the product?				Edible product servings must be clearly distinguished on the product. Bulk products that require the consumer to measure are not allowed.

Question	Yes	No	Comments	Additional Information
Does the business sell any edible products in the shape of bears, worms, fruits, rings, ribbons?				Edibles in shapes that appeal to children are not allowed.
Is the edible product in a child-proof, tamper-evident, opaque container?				All edibles must be in a container that is child-resistant and tamper evident. If the container is clear, the business must place the edible into an opaque bag at the point of sale. Clear bags are not allowed.
Product Compliance - Beverages				
Does the beverage product contain more than 5 mg delta-8 or delta-9 per serving?				Beverages may not exceed 5 mg delta-8 and/or delta-9 per serving.
Does the beverage product contain more than 2 servings?				Beverages cannot exceed two servings, regardless of the THC potency.
Is the beverage product in an opaque container?				If the beverage is in a clear container, the business must place the beverage in an opaque bag at the point of sale.
Product Compliance – Smokables (non-flower)				
Does the business sell vapes, pre-rolls, dabs, or other smokable products which contain more than 0.3% THC?				A product's certificate of analysis will show the concentration of THC the product contains. The certificate typically is found through the QR code on the product package. In MDH's experience, most vapes contain 50% - 90%+ THC. Pre-rolls may consist of raw hemp flower. These products are not regulated by 151.72. However, if a pre-roll is labeled as "infused" or "coated" have additional cannabinoids applied to the material, of which the product typically exceeds the 0.3% THC limit.

Question	Yes	No	Comments	Additional Information
Does the business sell vapes, pre-rolls, dabs, or other smokeable products that contain other intoxicating cannabinoids, such as HHC?				MN Statutes do not allow any cannabinoid, other than delta-8 or delta-9, to be sold if the cannabinoid is intended to alter the structure or function of the body. HHC is a cannabinoid known to have potency greater than THC.
Does the business sell vapes, pre-rolls, dabs, or other smokable products which contain CBD?				Non-intoxicating cannabinoids cannot be smoked, vaped, or inhaled.
Product Compliance – Flower				
Does the business sell raw hemp flower?				Raw hemp flower must contain 0.3% or less of delta-9 on a dry weight basis. Products exceeding 0.3% delta-9 dry weight are marijuana, and are illegal for sale. THC-A is the non psychoactive precursor to delta-9. Once heated THC-A converts to delta-9. In that process some amount of THC-A is lost. To determine whether, once heated, the hemp flower will exceed the allowable 0.3% of delta-9, one can use a decarboxylation formula which takes into account the conversion of THC-A into delta-9. That formula is as follows: Total THC = (0.877 X THC-A) + d-9 THC) Raw flower must include a certificate of analysis to show testing below 0.3% delta-9. • A lack of a certificate of analysis would constitute an illegal sale.

Question	Yes	No	Comments	Additional Information
				• A certificate of analysis showing that under the decarboxylation formula that delta-9 would exceed the 0.3% threshold would also indicate the flower is cannabis and not hemp and therefore being sold illegally.
Product Compliance – On-Site Consumption				
If the business offers on-site consumption, do they serve the edible or beverage in its original packaging?				The business may not pour out or remove an edible from its original packaging.
If the business offers on-site consumption, do they mix a cannabis-infused beverage with alcohol?				The business may not mix cannabis-infused products with alcohol.
If the business offers on-site consumption, do they permit customers to remove from the premises products which have been removed from their original packaging?				Products which have been removed from their original packaging cannot be removed from the premises by the customer.

NOTE: If a person suspects that a hemp-derived cannabinoid product is being sold in violation of Minnesota law, they can use the complaint form at [Submitting Hemp-Derived Cannabinoid Product Complaints (www.health.state.mn.us/people/cannabis/edibles/complaints.html)](www.health.state.mn.us/people/cannabis/edibles/complaints.html).

Appendix D: Enforcement Notice from the Office of Cannabis Management

MINNESOTA
OFFICE OF CANNABIS MANAGEMENT

Enforcement Notice from the Office of Cannabis Management

Dear Registered Hemp Derived Cannabinoid Business:

The Office of Cannabis Management (OCM), established in 2023, is charged with developing and implementing the operational and regulatory systems to oversee the cannabis industry in Minnesota as provided in Minnesota Statutes Chapter 342.

When Minnesota legalized the sale of adult-use of cannabis flower, cannabis products, and lower-potency hemp edibles/ hemp-derived consumer products, the Minnesota Legislature included statutory provisions, Minnesota Statutes, chapter 152.0264, making the sale of cannabis illegal until a business is licensed by OCM. The Office of Cannabis Management has not yet issued licenses for the cultivation, manufacture, wholesale, transportation or retail sale of cannabis, therefore any retail sales of cannabis products, including cannabis flower, are illegal.

The Office of Cannabis Management has received complaints of retailers selling cannabis flower under the label of hemp flower. Under an agreement between The Minnesota Department of Health (MDH) and OCM, inspectors from MDH will begin to examine any flower products being sold during their regular inspections to determine whether they are indeed hemp flower or cannabis flower.

In distinguishing between hemp and cannabis flower, OCM, consistent with federal rules and regulations related to hemp under 7 CFR 990.1, will consider the total concentration of THC post- decarboxylation, which is the process by which THC-A is converted into Delta-9 to produce an intoxicating effect. The examination of raw flower products will include reviewing the certificate of analysis for compliance in several areas, including:

Compliance with the requirement that raw flower listed for sale includes a Certificate of Analysis (COA). Products for sale without a COA will constitute an illegal sale.

A COA that affirms concentrations of 0.3% or less of Delta-9 on a dry weight basis. Products exceeding 0.3% Delta-9 dry weight are considered marijuana and are therefore illegal to sell.

A COA that confirms that the total levels of Delta-9 and THC-A after the decarboxylation process do not exceed 0.3%. A COA that indicates the raw flower will exceed 0.3 percent Delta-9 post-decarboxylation, or a subsequent test conducted by an independent laboratory utilized by OCM that confirms Delta-9 in excess of 0.3 percent will be considered illegal.

Minnesota Statutes, Chapter 342 governs Minnesota’s cannabis market, and empowers OCM to ensure regulatory compliance. Minnesota Statutes, chapter 342.09, subdivision 4 prohibits the retail sale of cannabis flower and cannabis products “without a license issued under this chapter that authorizes the sale.”

To date, the Office of Cannabis Management has not issued any cannabis licenses, applications for licenses are expected to be available in the first half of 2025. As such, selling cannabis is a clear violation of law. Be aware that under Minnesota Statutes, 342.09, subdivision 6, OCM may assess fines in excess of a $1 million for violations of this law. Likewise, under Minnesota Statutes, chapter 342.19, OCM is empowered to embargo any product that it has "probable cause to believe . . . is being distributed in violation of this chapter or rules adopted under this chapter[.]" Furthermore, violations of law may be considered in future licensing decisions made by OCM.

As inspectors enter the field, we encourage you to review the products you are currently selling to ensure they fall within the thresholds outlined above. If you have any questions related to the products you are selling, please send an email to cannabis.info@state.mn.us.

Thank you for your attention to this matter.

Charlene Briner
Interim Director
Office of Cannabis Management

Appendix E: Notice to Unlawful Cannabis Sellers

MINNESOTA
OFFICE OF CANNABIS MANAGEMENT

Notice to Unlawful Cannabis Sellers

This notice is to inform you that your current course of action may run afoul of Minnesota law, and continuing this course of action may result in civil actions and potential criminal prosecution. To avoid such outcomes, you should immediately cease and desist any plans to engage in the unlicensed sale of cannabis and cannabis products.

Minnesota Statutes, Chapter 342 (www.revisor.mn.gov/statutes/cite/342) governs Minnesota's cannabis market, and empowers OCM to ensure regulatory compliance. Minnesota Statutes, chapter 342.09, subdivision 4 (www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.4) prohibits the retail sale of cannabis flower and cannabis products "without a license issued under this chapter that authorizes the sale." To date the Office of Cannabis Management has not issued any retail, or other, cannabis licenses. As such, your plan to sell cannabis in a retail setting at this date would be in flagrant violation of the law. Be aware that under Minnesota Statutes, 342.09, subdivision 6 (www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.6), OCM may assess fines in excess of a $1,000,000 for violations of this law.

Likewise, under Minnesota Statutes, chapter 342.19 (www.revisor.mn.gov/statutes/cite/342.19), OCM is empowered to embargo any product that it has "probable cause to believe . . . is being distributed in violation of this chapter or rules adopted under this chapter[.]" It is believed that products attempted to be sold at your retail location might be distributed in violation of the law, and would therefore be subject to embargo by OCM. Under Minnesota Statutes, chapter 342.19, subd. 2 (www.revisor.mn.gov/statutes/cite/342.19#stat.342.19.2), once embargoed OCM "shall release the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product when this chapter and rules adopted under this chapter have been complied with or the item is found not to be in violation of this chapter or rules adopted under this chapter."

While Minnesota has legalized the sale of adult-use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, the legislature did add new statutory provisions, Minnesota Statutes, chapter 152.0264 (www.revisor.mn.gov/statutes/cite/152.0264), making illegal the unlawful sale of cannabis. As there are not yet any licenses issued by OCM for the cultivation, manufacture, wholesale, transportation, or retail of cannabis, any sales of cannabis products in excess of the limits in 152.0264 is illegal.

If you are only planning to sell cannabinoid products that are derived from hemp, you should ensure that the sale of those products is consistent with Minnesota Statutes, chapter 151.72 (www.revisor.mn.gov/statutes/cite/151.72), including but not limited to the requirement that your business be registered with the Commissioner of Health, and that all products are in compliance with the relevant statutes.

Finally, in addition to the state laws outlined above, please be aware that any retail location must be in compliance with local government ordinances and zoning requirements.

OCM takes seriously its charge to enforce Minnesota Statutes, Chapter 342, and its responsibility to ensure a safe and legal cannabis market. In order to avoid the above-described actions, all attempts to open a cannabis retail dispensary in Minnesota without the appropriate license should be ceased.