

ARTICLE 7  
WATERCRAFT FOR HIRE, RENTAL, AND LIQUOR LICENSING

|   |             |
|---|-------------|
| <b>Chapter 1. Watercraft for Hire</b>                               | <u>Page</u> |
| 7-1.01. <del>Certificate of Registration</del> <u>License</u> ..... | 7-1         |
| 7-1.03. Watercraft Registration .....                               | 7-2         |
| 7-1.05. Required Equipment .....                                    | 7-2         |
| 7-1.07. Number of Passengers Permitted .....                        | 7-3         |
| <u>7-1.08. Authorized Ports of Call .....</u>                       | <u>7-X</u>  |
| 7-1.09. Operational Rules.....                                      | 7-4         |
| 7-1.11. Watercraft Size Exception .....                             | 7-5         |
| <u>7-1.12. Exemption from Licensing Watercraft for Hire.....</u>    | <u>7-X</u>  |

**Chapter 2. Adult Uses on a Watercraft for Hire**

|                                  |     |
|----------------------------------|-----|
| 7-2.01. Statement of Intent..... | 7-6 |
| 7-2.03. Licensing.....           | 7-6 |

**Chapter 3. Alcoholic Beverages and Licensing**

|   |      |
|---|------|
| 7-3.01. State Law .....                                 | 7-8  |
| 7-3.03. License Required .....                          | 7-8  |
| 7-3.05. License and Permit Types.....                   | 7-9  |
| 7-3.07. Persons Ineligible for License.....             | 7-9  |
| 7-3.09. Businesses Ineligible for License.....          | 7-10 |
| 7-3.11. Persons and Watercraft Licensed; Transfer ..... | 7-10 |
| 7-3.13. Conditions of License .....                     | 7-10 |
| 7-3.15. Mandatory Training .....                        | 7-12 |
| 7-3.17. Clubs .....                                     | 7-12 |
| 7-3.19. Restrictions on Purchase and Consumption.....   | 7-12 |
| 7-3.21. Hours of Operation .....                        | 7-13 |
| 7-3.23. Restrictions; Vested Rights.....                | 7-13 |
| 7-3.25. Authorized Ports of Call .....                  | 7-13 |

**CHAPTER 1**  
**WATERCRAFT FOR HIRE**

**7-1.01. ~~License Required~~Certificate of Registration.**

Subd. 1. Required. No person shall operate or offer to operate a watercraft for hire on the Lake without first obtaining a ~~certificate of registration~~license from the LMCD.

Subd. 2. Obtaining a LicenseCertificate. Applications for a license eertificate-of registration to operate a watercraft for hire on the Lake shall be submitted and processed as provided in Section 6-5.13.

Subd. 3. Renewals. A renewal license eertificate-of registration is required for each year of operation and must be obtained by March 1<sup>st</sup> of each year.

**7-1.03. Watercraft Registration with State or Coast Guard.** Prior to obtaining a license from the LMCD, Aall watercraft for hire or charter shall be registered with the state of Minnesota as “For Hire” or be United States Coast Guard Documented for Commercial Use. The license number shall be affixed to the hull with a valid registration sticker. The United States Coast Guard Documentation number must be affixed on a main bulkhead or structural member of the watercraft. The full name of the watercraft must be displayed on the hull, either the stern or on the port and starboard sides of the watercraft.

**7-1.05. Required Equipment.** When a watercraft is in use and carrying passengers for hire, the equipment identified in this Section must be on board and be in a serviceable condition.

Subd. 1. Fire Extinguishers. Fire extinguishers shall be of a number and type that meets the requirements of the Minnesota DNR and, in addition, each such watercraft shall have installed a fixed fire extinguishing system to protect the engine room(s) on all watercraft using gasoline or other fuel having a flash point of 110 degrees F or lower; provided, however, that where the engine room(s) are so open to the atmosphere to make the use of a fixed system ineffective, no such system will be required. The system shall have the appropriate number of pounds of chemical for the gross volume of space to be covered as specified in 46 CFR § 181.410.

Subd. 2. Bilge Pumps. The watercraft for hire must have one fixed bilge pump for each non-connected bilge compartment. The bilge pump shall be rated at 10 GPM or greater.

Subd. 3. Restrooms. Any watercraft licensed under this Chapter shall have functioning restrooms that operate, in accordance with and shall be are mechanically configured, in accordance with LMCD’s then-current requirements for restrooms on a watercraft for hire or charter. LMCD’s policy may require that applicant pass an inspection of the restrooms be subject to inspection.

Subd. ~~43~~. Personal Floatation Devices.

- (a) Number. All watercraft for hire must carry on board one Coast Guard Approved Type 1 adult personal floatation device for each person permitted to be carried on the watercraft, including the crew. In addition, unless children are never to be carried, the watercraft must carry a number of personal floatation devices suitable for children equal to 10 percent of the total number of persons permitted to be carried, or one for each child, whichever is greater;
- (b) Labeling and Reflectivity. All Type 1 PFD’s must be labeled with the vessel’s name or registration number and be in good and serviceable condition. All PFD’s

shall have 200 sq. cm. (31 sq. in) of retro-reflective material attached to the front side, 200 sq. cm. of retro-reflective material attached to the back side and on each of the reversible sides; and

(c) Distribution and Stowing. Life preservers shall be distributed through the upper part of the vessel in protected places convenient to the passengers on board. Life preservers for children shall be stowed separately. When life preservers are stowed so that they are not readily visible to passengers, the containers in which they are stowed shall be marked "LIFE PRESERVERS" and with the number contained therein, in at least ~~one inch~~one-inch letters and figures. This legend shall indicate if the stowage is for "ADULT" or "CHILDREN" life preservers.

~~(c) Restrooms. Any watercraft licensed under this Chapter shall have functioning restrooms that operate in accordance with and shall be mechanically configured in accordance with LMCD's then current requirements for restrooms on a watercraft for hire or charter. LMCD's policy may require that applicant pass an inspection of the restrooms.~~

Subd. 54. Ring Buoy/Life Buoy. All watercraft for hire must have one ring buoy. The ring buoy shall have 30 feet of line, retro-reflective tape on both sides, and the name of the watercraft on the buoy. The ring buoy must be mounted in an accessible area. The ring buoy shall be 20 inches or more in diameter for watercraft less than 26 feet. For watercraft over 26 feet, a 24 inch buoy is required. If the watercraft is operated during night time hours, buoys shall be fitted with a water activated or automatic light.

Subd. 65. First Aid Kit. All watercraft for hire must have a stocked first aid kit on board.

Subd. 76. Electrical. All watercraft for hire must have all batteries fastened down so as not to move in any direction more than one inch, and the entire battery shall be covered to eliminate sparking or arching.

Subd. 87. Communications. All watercraft for hire shall be required to have one of the following types of communications: VHF Marine Radio with Channels 16 and 6 and/or a cellular telephone.

**7-1.07. Number of Passengers Permitted.** The maximum number of passengers and crew permitted to be carried on a watercraft for hire shall be determined by the LMCD and/or the Sheriff and shall be stated on the inspection report. The maximum number of passengers and crew permitted on any vessel for hire of reasonable design and proportions may be determined by length of rail criteria, deck area criteria, or fixed seating criteria. A final test may be a stability test at the owner's expense.

Subd. 1. Length of Rail Criteria. One passenger may be permitted for each 30 inches of rail space available to the passengers at the watercraft's sides and across the transom with a minimum of 18 inches of open deck space.

Subd. 2. Deck Area Criteria. One passenger may be permitted for each 10 square feet of deck area available for the passengers' use. In computing such deck area, the areas occupied by the following shall be excluded:

- (a) Concession stands;
- (b) Toilets and washrooms;
- (c) Companionways, stairways, etc.;
- (d) Spaces occupied by and necessary for handling lifesaving equipment;
- (e) Spaces below deck which are unsuitable for passengers;
- (f) Pilot control area; and
- (g) Interior passageways less than 30 inches wide and passageways on the open deck less than 18 inches wide.

Subd. 3. Fixed Seating Criteria. One passenger may be permitted for each 18 inches of width of fixed seating provided.

Subd. 4. Stability. Notwithstanding the number of passengers permitted by any of the criteria described above, the maximum number may be further limited by stability.

#### **7-1.08 Authorized Ports of Call.**

Subd. 1. Designation. At the time of application for any license under this Chapter, the applicant shall designate specific docks, moorings, or other facilities at which passengers will be embarked and disembarked. Licenses granted by the Board by the Board-designated staff member LMCD will designate specific authorized ports of call, and no passengers, except law enforcement personnel or employees, may be embarked or disembarked except at either authorized ports of call or other locations at a frequency of no more than once each year at any one location.

Subd. 2. License Certificate. No ports of call shall be authorized by the by the Board-designated staff member Board LMCD without applicant first securing a certificate from the municipality within which such port of call lies stating that the activities to be conducted by the applicant at the port of call are in compliance with municipal zoning laws. No embarkation or disembarkation at other locations is authorized unless permission for such activity has been secured from appropriate officials of the municipality in which it occurs.

Subd. 3. Stopping, Mooring, Anchoring Prohibited. No watercraft for hire issued a license under this Chapter shall stop, moor, or anchor closer than 300 feet from shore except at authorized ports of call, or at any place in the Lake other than authorized ports of call after 6:00 p.m. for more than two hours.

Subd. 4. Additional Ports of Call. A licensee may request approval of additional ports of call upon written request to of the Executive Director a Board designated staff member the LMCD, and consideration by the Board which may grant or deny approval for additional ports of call, or grant approval with conditions in the same manner as in action on an application for a new license. No public hearing is required for an existing licensee who is applying to add additional ports of call.

**7-1.09. Operational Rules.** The following rules shall apply to watercraft issued a ~~certificate of registration license~~ under this Chapter and failure to comply with any of these rules is a violation of this Code and may result in the revocation of the ~~certificate of registration license~~.

Subd. 1. Pilots. A person under the age of 18 may not operate the watercraft. All pilots must have a current and valid State of Minnesota pilots' license. During such time as any watercraft for hire or charter is carrying a passenger, such vessel shall have at least one additional crew member on board and such additional crew member shall be qualified to legally operate a watercraft in the State of Minnesota.

Subd. 2. Major Repairs and Alterations. No major repairs or alterations affecting the safety of the watercraft or passengers with regard to the hull, super structure, machinery, or equipment shall be made without the knowledge and approval of the Sheriff's water patrol. Proposed alterations shall be approved by the Sheriff's water patrol before any work is started. Drawings, sketches, or written specifications describing the alterations in detail may be required. Drawings will not be required for repairs in kind.

Subd. 3. Mandatory Training. Each year LMCD staff will conduct one or more training sessions for applicants for new or renewal licenses. Training shall be given in LMCD code, state laws and local ordinances relating to the operation of watercraft for hire. No new or renewal license shall be granted to an applicant who has not attended a training session for that license year, either personally or by authorized representative.

Subd. 4. Inspections. Every licensee shall allow any peace officer, health officer, or properly designated officer or employee of the LMCD, Hennepin County, or the State of Minnesota to enter, inspect, and search the premises watercraft and mooring area of the licensee during business hours without a warrant.

Subd. 5. Licensee's Responsibility. Every licensee is responsible for the conduct of its employees and invitees the licensee's place of business and the conditions of sobriety and order in it. The act of any employee on the watercraft is deemed the act of the licensee as well, and the licensee shall be liable to all penalties provided by this Code and the law equally with the employee License holders shall be responsible to ensure that operations and activities shall be so conducted as not to constitute a public nuisance under this Code.

Subd. ~~463~~. Prohibitions. No pilot of a watercraft holding a ~~license certificate~~ under this Chapter shall, while carrying passengers for hire, do any of the following:

- (a) Stop, moor, or anchor closer than 300 feet from shore except at authorized ports of call;
- (b) Stop, moor, or anchor at any place in the lake other than an authorized port of call ~~after 6:00 p.m.~~ for more than two hours;
- (c) Pass within 300 feet of the shoreline except at an authorized port of call or in channels having a width of less than 600 feet in which case such watercraft shall remain as nearly in the center as is consistent with good seamanship and the rules of the road;
- (d) Play any live or amplified music or amplified voice except in fully enclosed areas of the watercraft or in emergency situations; and
- ~~(e) Conduct operations and activities on the watercraft in such a way as to constitute a public nuisance on the watercraft or to interfere with the peaceful enjoyment of the Lake and of surrounding properties by riparian owners and by the public.~~
- ~~(f) No watercraft licensed under this chapter shall be stored at any time at a residential property or residential dock.~~
- ~~(g) No person shall allow the presence of, directly or indirectly deal in, sell, or keep for sale on any watercraft licensed under this Chapter any alcoholic beverages or intoxicating substances (including marijuana) without first obtaining a license to do so from the LMCD as provided in Chapter 3 of this Code. The presence of alcoholic beverages on a watercraft for hire shall be prima facie evidence of possession of alcoholic beverages for the purpose of sale.~~
- ~~(e) No person shall allow the presence of, directly or indirectly deal in, sell, or keep for sale on any watercraft licensed under this Chapter any food or beverages without first obtaining a license or permit and requisite inspections from the Minnesota Department of Health or any other entity requiring a license, permit or inspection.~~
- ~~(h)~~
- ~~(i) No watercraft shall contain a macerator pump and the human waste storage system shall be configured in accordance with Chapter XXXX. Watercraft equipped with a pump capable of pumping sewage or other wastes into the Lake, and/or human waste storage systems, shall be configured in accordance with the rules and regulations set forth in 11-1.01.~~

~~Subd. 47. Acts of Employees. The act of any employee on the watercraft is deemed the act of the certificate holder as well, and the certificate holder shall be liable to all penalties provided by this Code and the law equally with the employee.~~

Subd. 58. Hours of Operation. All watercraft carrying passengers for hire must disembark all customers, passengers, or patrons by 12:30 a.m. and must return to and be tied, moored, or secured for the night at its home port by 1:00 a.m.

**7-1.11. Watercraft Size Exception.** Watercraft issued a ~~certificate of registration~~ license may exceed the limitations on the size of watercraft set forth in 8-1.09, providing the following conditions are met:

- (a) The size of the watercraft may not exceed either 90 feet in length or 22 feet in width;
- (b) The watercraft may not have a rated capacity of over 149 passengers, excluding crew;
- (c) The watercraft must have twin engines and bow thrusters to ensure maneuverability of the watercraft;
- (d) Watercraft exceeding the size limits of Section 8-1.09 may only be operated on the Main Upper Lake and Main Lower Lake, except that such watercraft may be operated on other areas of the Lake either to store the watercraft at its home port or to pick up or drop off passengers at authorized ports of call; and
- (e) The watercraft shall be of a height that allows it to pass between the Main Upper Lake and Main Lower Lake under the Narrows Bridge between Lafayette Bay and Carman Bay.

**7-1.12. Exemption from Licensing Watercraft for Hire.** ~~Certain persons and Operators of watercraft for hire shall be exempt from the requirement of a watercraft for hire license if the operators meet all of the following requirements. A person or watercraft carrying passengers for hire shall not be required to obtain a watercraft for hire license if a person or watercraft meets the following requirements:~~

- (a) A person or The watercraft is carrying 6 or fewer passengers for hire., and;
- (b) A The watercraft is 25 feet in length or less., and;
- (c) No passenger is loaded at any residential property or residential dock., and;
- (d) No person shall directly or indirectly deal in, sell, or keep for sale on any watercraft carrying passengers any alcoholic beverages or intoxicating substances (including marijuana) without first obtaining a license to do so from the LMCD as provided in Chapter 3: Alcoholic Beverages and Licensing. No person shall provide or serve any liquids for the purpose of mixing with intoxicating liquor. A passenger for hire may bring and consume alcoholic beverages provided such person is of legal age.

- (e) No Licensee or person operating a watercraft for hire shall provide, directly or indirectly deal in, sell, or keep for sale on any watercraft carrying passengers for hire any food or beverages without first obtaining a license or permit and requisite inspections from the Minnesota Department of Health or any other entity requiring a license, permit or inspection, and; A passenger on a watercraft for hire that is exempt from licensing may bring and consume their own food and beverages.
- (f) Any person or watercraft carrying a passenger for hire has liability insurance that covers carrying passengers for hire, with the following minimum coverage: XXXXXX, and; must have a current liability insurance policy that covers carrying passengers for hire in accordance with current LMCD requirements.
- (g) The person or watercraft operator does not hold a watercraft-for-hire license for the exempt is not licensed as a watercraft for hire under this Code. Any person or vessel licensed as a watercraft for hire shall not qualify for any exemption to any watercraft for hire Code requirements at any time.



**CHAPTER 2**  
**ADULT USES ON A WATERCRAFT FOR HIRE**

**7-2.01. Statement of Intent.** It is declared to be the purpose and intent of this Chapter to protect the public health, safety, and welfare of the Lake communities by curtailing the dangers and potential criminal offenses associated with watercraft for hire featuring adult cabaret or exotic dancing. The Board has determined that adult cabarets and exotic dancing may be dangerous if performed on watercraft for hire and may lead to prostitution, sexually-transmitted diseases, drug and alcohol offenses, or other criminal activity. However, it is not the intent of this Chapter to inhibit the freedom of speech component of exotic dancing. Instead, this Chapter represents a balancing of competing interests: reduced dangerous or criminal activity through the regulation of exotic dancing versus the protected rights of exotic dancers and their patrons.

**7-2.03. Licensing.**

Subd. 1. Required. Adult cabaret or exotic dancing may only be performed on a watercraft for hire issued a ~~certificate of registration~~license under this Code and then only upon issuance of a license from the LMCD.

Subd. 2. Obtaining a License. Applications for a license to host an adult cabaret or exotic dancing on a watercraft for hire on the Lake shall be submitted and processed as provided in Section 6-5.15.

Subd. 3. Conditions. A watercraft for hire issued an adult entertainment license under Section 6-5.15 is subject to, in addition to the conditions expressly placed on the license, all of the following conditions:

- (a) Shall comply with the requirements in this Code for a watercraft for hire, all other applicable provisions of this Code, and any other federal, state, or local law, rule, regulation, and ordinance that may apply;
- (b) Is prohibited from also being licensed for the sale of alcohol under Article 7, Chapter 3;
- (c) Exotic dancing or adult cabaret performances may not be in any way visible or perceivable, including aurally, at any time from outside the watercraft;
- (d) Exotic dancing or adult cabaret may not in any way depict sexual activities;
- (e) Exotic dancing or adult cabaret may not involve display of less than completely and opaquely covered human genitals, female breast(s) below a point immediately above the top of the areola, buttocks, anus, pubic region or male genitals in a discernibly turgid state, even if completely and opaquely covered;
- (f) Exotic dancers and cabaret performers must be at least 21 years of age;

- (g) Patrons must be at least 21 years of age;
- (h) Exotic dancing may only be performed on a platform intended for that purpose which is raised at least two feet from the level of the floor. The platform must incorporate a padded safety rail that will prevent dancers or performers from falling from the platform in the event of windy or inclement boating conditions;
- (i) Exotic dancing shall not occur closer than 10 feet from any patron;
- (j) No exotic dancer or performer shall touch, fondle, or caress any patron and no patron shall touch, fondle, or caress any exotic dancer or performer;
- (k) No patron shall directly pay or give any gratuity to any exotic dancer or performer;
- (l) No licensed watercraft may dock at any location except the dock from which the watercraft originates, except in the case of emergency;
- (m) No person other than a law enforcement officer may board a licensed watercraft except from the dock from which the watercraft originates;
- (n) No exotic dancer or performer shall solicit any pay or gratuity from any patron;
- (o) Licensed watercraft may not have booths, stalls, partitioned portions of a room, or individual rooms, except:
  - (1) Restrooms are allowed as long as they are no larger than reasonably necessary to serve the purposes of a restroom, no other activities are provided or allowed in the rooms, and there are no chairs, benches, or reclining surfaces in the rooms; and
  - (2) Storage rooms and private offices are allowed, if the storage rooms and offices are used solely for running the business and no person other than the owner, manager, and employees is allowed in them;
- (p) The operator of the watercraft is responsible for the conduct of his or her place of business and the conditions of order in it. The act of an employee of the licensed watercraft is deemed the act of the operator as well, and the operator is liable for all penalties provided by this Chapter equally with the employee, except criminal penalties; and
- (q) The license issued under this Chapter must be posted in a conspicuous place in the portion of the watercraft used for exotic dancing or adult cabaret.

Subd. 4. Violations. Any person violating this Section or Section 6-5.15 shall be guilty of a misdemeanor.

**CHAPTER 3**  
**ALCOHOLIC BEVERAGES AND LICENSING**

**7-3.01. State Law.**

Subd. 1. Authority. The LMCD, pursuant to Minnesota Laws 1986, Chapter 437, has all of the powers of a municipality under Minnesota Statutes, chapter 340A to regulate liquor and issue liquor licenses on the Lake.

Subd. 2. State Law Adopted. The provisions of Minnesota Statutes, chapter 340A, relating to the definition of terms, licensing, consumption, sales, conditions of bonds of licensees, hours of sale, and all other matters pertaining to the retail sale, distribution, consumption, and display of alcoholic beverages are adopted and made a part of this Code as if set out in full.

Subd. 3. Intent. The LMCD recognizes that there are practical differences in the issuance of licenses and the regulation of alcoholic beverages on the Lake than in the typical on-land setting. These differences result in limits on the types of license available for issuance and those eligible to receive them. It is intent of the LMCD to remain as strict as the requirements of Minnesota Statutes, chapter 340A in the regulation of alcoholic beverages and the issuance of alcoholic beverage licenses. To the extent any provision in this Chapter may be less strict than a provision of Minnesota Statutes, chapter 340A, the stricter statutory requirement shall apply. The licenses issued under this Chapter do not authorize the sale of alcoholic beverages on land.

**7-3.03. License Required.**

Subd. 1. Sale of Alcoholic Beverages. No person shall directly or indirectly deal in, sell, or keep for sale on the Lake any alcoholic beverages without first obtaining a license to do so from the LMCD as provided in this Code. The presence of alcoholic beverages on a watercraft for hire shall be prima facie evidence of possession of alcoholic beverages for the purpose of sale. On-sale alcoholic beverage licenses shall be of three kinds: “on-sale liquor,” “on-sale wine,” and “on-sale 3.2 percent malt liquor” licenses. Sales under each of these on-sale licenses shall be for consumption on the watercraft for hire only. No person holding an on-sale liquor license or an on-sale 3.2 percent malt liquor license shall sell alcoholic beverages on Sundays without first obtaining a “Sunday sales” license from the LMCD.

Subd. 2. Consumption and Display of Alcoholic Beverages. A business establishment that does not hold an on-sale license under this Code shall not directly or indirectly allow the consumption and display of alcoholic beverages, or knowingly serve any liquid for the purpose of mixing with intoxicating liquor, without first having obtained a “consumption and display” permit from the LMCD as provided in this Code. The serving of any liquid on a watercraft for hire for the purpose of mixing with intoxicating liquors shall be prima facie evidence that intoxicating liquor is being permitted to be consumed and displayed.

Subd. 3. License and Permit Issuance. All licenses and permits provided for under this Chapter shall be submitted, processed, and acted on in accordance with Section 6-5.17.

### **7-3.05. License and Permit Types.**

Subd. 1. On-Sale Liquor Licenses. On-sale liquor licenses shall be issued only to authorized agents of a registered watercraft for hire that meets the requirements of Minnesota Statutes, chapter 340A. On-sale licenses shall only be issued to authorized agents of ~~registered~~ licensed watercraft for hire which provide food service and which have on-demand facilities to serve full meals as well as snacks to all of its patrons.

Subd. 2. On-Sale Wine Licenses. On-sale wine licenses shall be issued only to authorized agents of a ~~licensed~~registered watercraft for hire that has a restaurant for seating at least 25 guests at one time and shall permit only the sale of wine not exceeding 24 percent alcohol by volume, for consumption on the watercraft for hire only, in conjunction with the sale of food. The holder of an on-sale wine license may sell wine on Sundays without a Sunday sales license. A holder of an on-sale wine license who also holds an on-sale 3.2 percent malt liquor license, and whose gross receipts are at least 60 percent attributable to the sale of food, may sell intoxicating malt liquors on-sale without an additional license, except that sales on Sundays shall require a Sunday sales license. A person issued an on-sale liquor license shall not be required to obtain an on-sale wine license in order to sell wine on the watercraft for hire.

Subd. 3. On-Sale 3.2 percent Malt Liquor Licenses. On-sale 3.2 percent malt liquor licenses shall be issued only to authorized agents of ~~licensed~~registered watercraft for hire which meet the requirements of Minnesota Statutes, chapter 340A for restaurants, clubs or establishments and allows the sale of 3.2 percent malt liquor. A person issued an on-sale liquor license shall not be required to obtain an on-sale 3.2 percent malt liquor license in order to sell 3.2 percent malt liquor on the watercraft for hire.

Subd. 4. Consumption and Display Permits. Consumption and display permits shall be issued only to a business establishment that operates a ~~licensed~~registered watercraft for hire that does not hold an on-sale license. A consumption and display permit allows the business establishment to permit the consumption and display of alcoholic beverages on the watercraft for hire, but does not authorize the sale of alcoholic beverages.

Subd. 5. Sunday Sales License. A special license authorizing sales on Sunday in conjunction with the serving of food may be issued to authorized agents of a ~~licensed~~registered watercraft for hire that meets the qualifications of Minnesota Statutes, chapter 340A for restaurants or clubs which has facilities for serving at least 30 guests at one time, and which has an on-sale license. A special Sunday license is not needed for sales by on-sale wine licensees.

**7-3.07. Persons Ineligible for License.** No license shall be granted to or held by any person who:

- (a) Is ineligible for such a license under state law by reason of age;
- (b) Has, within five years prior to the application for such license, been convicted of a felony, or of violating any law of this state or local ordinance relating to the manufacture, sale, distribution or possession for sale or distribution of alcoholic beverages and cannot show competent evidence under Minnesota Statutes, section

364.03, of sufficient rehabilitation and present fitness to perform the duties of an alcoholic beverages licensee;

- (c) Has a direct or indirect interest in manufacturers, brewers, or wholesalers of alcoholic beverages;
- (d) Is a non-resident who is not a resident alien;
- (e) Is not of good moral character or repute;
- (f) Has had an intoxicating liquor or 3.2 percent malt liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested;
- (g) Is or during the period of this license becomes the holder of a federal retail liquor dealer's special tax stamp for the sale of intoxicating liquor at any place unless there has also been issued to him a local license to sell intoxicating liquor at such place; or
- (h) Is not the proprietor of the watercraft for hire for which the license is issued.

**7-3.09. Businesses Ineligible for License.**

Subd. 1. General Prohibition. No alcoholic beverage license shall be issued for any business ineligible for such a license under state law, where a licensee has been convicted of the violation of this Code or of Minnesota Statutes, chapter 340A, or for any watercraft for hire for which an adult entertainment license has been issued or requested.

Subd. 2. Delinquent Taxes and Charges. No alcoholic beverages license shall be granted for operation on any premises on which financial claims of the LMCD are delinquent and unpaid.

**7-3.11. Persons and Watercraft Licensed; Transfer.** Each license required under this Chapter shall be issued only to the applicant and for the watercraft described in the application. No transfer of a license to another watercraft or to another applicant is authorized without first securing a new license from the LMCD. Any transfer of stock of a corporate licensee is deemed a transfer of the license and a transfer of stock without prior Board approval is a ground for revocation of the license. No licenses may be granted except to watercraft for hire holding a watercraft for hire ~~certificate of registration~~ license from the LMCD.

**7-3.13. Conditions of License.** Every license issued under Section 6-5.17 is subject to the conditions set out in this Section, all other provisions of this Code, and of any other applicable federal, state, or local laws, rules, regulations, and ordinances.

Subd. 1. Federal Stamps. No licensee shall possess a federal wholesale liquor dealer's special tax stamp or a federal gambling stamp.

Subd. 2. Sales to Under Age or Intoxicated Persons. No alcoholic beverages shall be sold or served to any intoxicated person or to any person under legal age.

Subd. 3. Consumption by Under Age Persons. No person under legal age shall be permitted to consume alcoholic beverages on the watercraft for hire.

Subd. 4. Interest of Manufacturers or Wholesalers. No manufacturer or wholesaler of alcoholic beverages shall have any ownership of or interest in an establishment licensed to sell at retail contrary to the provisions of state law. No retail licensee and manufacturer or wholesaler of alcoholic beverages shall be parties to any exclusive purchase contract. No retail licensee shall receive any benefits contrary to law from a manufacturer or wholesaler of alcoholic beverages and no such manufacturer or wholesaler shall confer any benefits contrary to law upon a retail licensee.

Subd. 5. Liquor Dealers' Stamp. No licensee shall sell alcoholic beverages while holding or exhibiting in the watercraft for hire a federal retail liquor dealer's special tax stamp unless the person is licensed under the laws of Minnesota to sell intoxicating liquors.

Subd. 6. Sales of Intoxicating Liquor. No 3.2 percent malt beverage licensee who is not also licensed to sell intoxicating liquor and who does not hold a consumption or display permit shall sell or permit the consumption and display of intoxicating liquors on the watercraft for hire or serve any liquids for the purpose of mixing with intoxicating liquor. The presence of intoxicating liquors on the watercraft for hire shall be prima facie evidence of possession of intoxicating liquors for the purpose of sale. Additionally, the serving of any liquid for the purpose of mixing with intoxicating liquors shall be prima facie evidence that intoxicating liquor is being permitted to be consumed or displayed contrary to this Chapter.

Subd. 7. Searches and Seizures. Any law enforcement officer may enter, inspect, and search a watercraft for hire of a licensee during business hours without a search and seizure warrant and may seize all alcoholic beverages found on the watercraft for hire operating in violation of this Chapter.

Subd. 8. Licensee's Responsibility. Every licensee is responsible for the conduct of the licensee's place of business and the conditions of sobriety and order in it. No watercraft for hire holding a license under this Chapter may play any live or amplified music or amplified voice except in fully enclosed areas of the watercraft or in emergency situations. Operations and activities on the watercraft shall be so conducted as not to interfere with the peaceful enjoyment of the Lake and of surrounding properties by riparian owners and by the public. License holders shall be responsible to ensure that operations and activities shall be so conducted as not to constitute a public nuisance under this Code. The act of any employee on the watercraft for hire is deemed the act of the licensee as well, and the licensee shall be liable to all penalties provided by this Code and the law equally with the employee.

Subd. 9. Inspections. Every licensee shall allow any peace officer, health officer, or properly designated officer or employee of the LMCD, Hennepin County, or the State of Minnesota to enter, inspect, and search the premises of the licensee during business hours without a warrant.

Subd. 10. Display During Prohibited Hours. No watercraft for hire for which a license or permit is issued under this Chapter shall display any alcoholic beverage to the public during hours when the sale of alcoholic beverages is prohibited.

Subd. 11. Gambling. No gambling or any gambling device shall be permitted on any watercraft for hire.

**7-3.15. Mandatory Training**. Each year, ~~at the direction of the Board,~~ the ~~Executive Director~~LMCD staff will conduct one or more training sessions for applicants for new or renewal on-sale licenses. Training shall be given in state laws and local ordinances relating to the sale of alcoholic beverages and to the operation of watercraft for hire. No new or renewal license shall be granted to an applicant who has not attended a training session for that license year, either personally or by authorized representative.

**7-3.17. Clubs**. No club shall sell alcoholic beverages except to members and to guests in the company of members.

**7-3.19. Restrictions on Purchase and Consumption**.

Subd. 1. Age Misrepresentation. It is unlawful for any underage person to claim to be 21 years old or older for the purpose of obtaining or purchasing an alcoholic beverage.

Subd. 2. Inducing Purchase. It is unlawful for any person to induce an underage person to purchase or procure an alcoholic beverage, or to lend or knowingly permit the use of the person's driver's license, permit, Minnesota identification card, or other form of identification by an underage person for the purpose of purchasing or attempting to purchase an alcoholic beverage.

Subd. 3. Procurement. It is unlawful for any person to sell, barter, furnish, or give an alcoholic beverage to an underage person.

Subd. 4. Possession. It is unlawful for any underage person to possess an alcoholic beverage with the intent to consume it. Possession of an alcoholic beverage creates a rebuttable presumption of intent to consume. This presumption may be rebutted by a preponderance of the evidence.

Subd. 5. Consumption. It is unlawful for any underage person to consume an alcoholic beverage. As used in this subdivision, "consume" includes the ingestion of an alcoholic beverage and the physical condition of having ingested an alcoholic beverage. A violation of this subdivision exists if consumption, or evidence of consumption, is observed.

Subd. 6. Liquor Consumption and Display. No person shall consume or display any alcoholic beverage on the premises of a business establishment, club, charter boat, or watercraft for hire that is not also licensed to sell alcoholic beverages or who does not hold a consumption and display permit.

Subd. 7. Watercraft Owners and Operators. It is unlawful for an owner of a watercraft who is present in the watercraft, or for the operator of a watercraft if the owner is not present, to allow, or fail to take reasonable steps to prevent, the possession or consumption of any alcoholic beverage by an underage person on the watercraft if the owner or operator knows, or reasonably should know, the underage person possesses or is consuming any alcoholic beverage. This prohibition does not apply to situations in which an underage person is lawfully in possession of alcoholic beverages during the course and scope of employment.

Subd. 8. Fish Houses. It is unlawful for the license holder of a fish house who is present in the fish house to allow, or fail to take reasonable steps to prevent, the possession or consumption of any alcoholic beverage by an underage person in the fish house if the license holder knows, or reasonably should know, that the underage person possesses or is consuming any alcoholic beverage.

**7-3.21. Hours of Operation.** No sale of alcoholic beverages may be made except during times established by state law. All watercraft for hire to which any license has been issued under this Code must disembark all customers, passengers or patrons by 12:30 a.m. and must return to, and be tied, moored or secured for the night at its home port by 1:00 a.m. until 5:00 a.m.

**7-3.23. Restrictions; Vested Rights.** Upon granting a license under this Code, the Board may impose any restrictions on the operations of the licenses deemed by the Board to be necessary or desirable to protect the public safety, the enjoyment of the Lake by the public, or the safety of passengers on the watercraft for hire. The granting of a license shall create no vested rights in the licensee and all rights and operations of the licensee shall continue to be subject to further or additional regulation by the LMCD.

**7-3.25. ~~Authorized Ports of Call.~~ Authorized Ports of Call. Any Licensee under this chapter shall meet the ~~requires~~ requirements under Section 7-1.08.**

~~Subd. 1. Designation. At the time of application for any license under this Chapter, the applicant shall designate specific docks, moorings, or other facilities at which passengers will be embarked and disembarked. Licenses granted by the Board will designate specific authorized ports of call, and no passengers, except law enforcement personnel or employees, may be embarked or disembarked except at either authorized ports of call or other locations at a frequency of no more than once each year at any one location.~~

~~Subd. 2. Certificate. No ports of call shall be authorized by the Board without first securing a certificate from the municipality within which such port of call lies stating that the activities to be conducted by the applicant at the port of call are in compliance with municipal zoning laws. No embarkation or disembarkation at other locations is authorized unless permission for such activity has been secured from appropriate officials of the municipality in which it occurs.~~



~~Subd. 3. **Stopping, Mooring, Anchoring Prohibited.** No watercraft for hire issued a license under this Chapter shall stop, moor, or anchor closer than 300 feet from shore except at authorized ports of call or at any place in the Lake other than authorized ports of call after 6:00 p.m. for more than two hours.~~

~~Subd. 4. **Additional Ports of Call.** A licensee may request approval of additional ports of call upon written request of the Executive Director, and consideration by the Board which may grant or deny approval for additional ports of call, or grant approval with conditions in the same manner as in action on an application for a new license. No public hearing is required for an existing licensee who is applying to add additional ports of call.~~

**6-5.13. Watercraft for Hire Certificate of Registration License.** An applicant application for a watercraft for hire certificate of registration license shall be submitted, processed, and acted on in accordance with this Section.

Subd. 1. Application. An application for a certificate of registration license shall, in addition to the information required in Section 6-1.03, contain the following information:

- (a) A copy of all valid pilot licenses;
- (b) A current state inspection certificate of operation;
- (c) Evidence of insurance meeting the then-current LMCD insurance policy requirements; and
- (d) Berthing location, docks, moorings or other facilities at which passengers will be embarked or disembarked.

Subd. 2. Issuing Authority. ~~The Executive Director~~ Board-designated staff member LMCD staff is authorized to issue a certificate of registration license administratively without a public hearing. ~~The Board-designated staff member LMCD staff Executive Director~~ may refer any application to the Board and shall refer to the Board any application that ~~the Board-designated staff member LMCD staff Executive Director~~ proposes to deny.

Subd. 3. Review Criteria. In reviewing an application for a certificate of registration license, ~~the Board-designated staff member LMCD staff Executive Director~~ shall consider whether the watercraft for hire complies with the standards established in Article 7, Chapter 1 and the following:

- (a) The watercraft has passed all required inspections of the Sheriff, Department of Natural Resources, and State of Minnesota.

~~Subd. 4. **Limitations.** In addition to the standards and requirements contained in Article 7, Chapter 1, a watercraft for hire certificate of registration is subject to all of the following: (a) The certificate will specify authorized ports of call and no passengers except law enforcement personnel or employees may be embarked or disembarked except at either authorized ports of call or other locations at a frequency of no more than once each year at any one location; No ports of call shall be authorized~~

~~without first securing a certificate from the municipality within which such port of call is located stating that the activities to be conducted by the applicant at the port of call are in compliance with municipal zoning laws; (c) No embarkation or disembarkation at locations other than those authorized by the LMCD and the municipality may occur unless permission for such activity has been secured from appropriate officials of the municipality in which it occurs.~~

Subd. ~~45~~. Renewals. A renewal ~~certificate of registration license~~ is required for each year of operation and must be obtained by March 1st of each year.

**6-5.15. Adult Entertainment License**. An applicant for an adult entertainment license shall be submitted, processed, and acted on in accordance with this Section. An adult entertainment license may only be sought for a watercraft for hire that holds a current ~~certificate of registration license~~ under this Code. Subd. 1. Application. An application for an adult entertainment license shall, in addition to the information required in Section 6-1.03, contain the following information: (a) The business in connection with which the proposed license will operate; (b) The location of the dock or slip from which the watercraft for hire originates; ~~Effective September 23, 2021 6-43-515348v7LK110-52~~ (c) A description of the watercraft to be licensed including a floor plan of the area for which the license is sought, showing dimensions and locations of facilities; (d) Whether the applicant is the owner and operator of the business and, if not, identify the name of the owner; (e) Whether the applicant has ever used or been known by a name other than his/her true name, and if so, what was the name, or names, and information concerning dates and places where used; (f) Street address at which applicant has lived during the preceding 10 years; (g) Kind, name, and location of every business or occupation applicant and spouse have been engaged in during the preceding 10 years; (h) Names and addresses of applicant's employers and partners, if any, for the preceding 10 years; (i) Whether the applicant has ever been convicted of a violation of a state law or local ordinance, other than a non-alcohol related traffic offense. If so, the applicant must furnish information as to the time, place and offense for which convictions were had; (j) Whether the applicant has ever been engaged as an employee or in operating a sexually-oriented business, massage business, or other business of a similar nature. If so, applicant must furnish information as to the time, place, and length of time; (k) If the applicant is a partnership, the name and address of all partners and all information concerning each partner as is required of a single applicant as above; (l) A managing partner, or partners, must be designated. The interest of each partner, or partners in the business must be submitted with the application and, if the partnership is required to file a certificate as to trade name, a copy of the certificate must be attached to the application; (m) If the applicant is a corporation or other organization, the applicant must submit the following: (1) Name, and if incorporated, the state of incorporation; (2) Names and addresses of all officers; (3) The name of the manager or proprietor or other agent in charge of, or to be in charge of, the watercrafts to be licensed, giving all information about said person as is required in the case of a single applicant; and ~~Effective September 23, 2021 6-44-515348v7LK110-52~~ (4) A list of all persons who, single or together with their spouse, own or control an interest in said corporation or association in excess of five percent or who are officers of said corporation or association, together with their addresses and all information as is required for a single applicant. (n) The amount of the investment that the applicant has in the business, including watercrafts, buildings, fixtures, furniture, and proof of the source of the money; (o) A list of responsible persons, including the names of owners, managers and assistant managers, who may be notified or contacted by state or city employees in case of emergency. These persons must be residents of the Twin Cities metropolitan area as defined by Minnesota Statutes, section 473.121, subdivision 2; (p) Whether the applicant holds a current license or has ever held a license for a sexually-oriented business or similar business from another

governmental unit; and (q) Whether the applicant has ever been denied a license for a sexually-oriented business or similar business from another governmental unit. Subd. 2. Issuing Authority. The Board determines whether to issue an adult entertainment license after conducting a public hearing on the application following at least two weeks published notice. Subd. 3. Investigation. Before conducting the public hearing on an application, the LMCD or its designee shall conduct an investigation of the representations set forth in the application, the applicant's moral character, and the applicant's financial status. Applicants must cooperate with this investigation. Subd. 4. Limitations. In addition to the conditions contained in Section 7-2.03, subdivision 3, the applicant shall comply with and is subject to all of the following: (a) A license will be issued only to the applicant and for the watercraft described in the application; (b) No license may be transferred to another person or place without application in the same manner as an application for a new license. Transfer of 25 percent or more of the stock of a corporation or of a controlling interest of it, whichever is less, will be deemed a transfer of the license; and (c) In the case of the death of a licensee, a representative of licensee may continue operation of the business for not more than 30 days after the licensee's death. Subd. 5. Renewals. An adult entertainment license expires on December 31st of the year in which it is issued and must be renewed for each year in which such entertainment is offered. A ~~Effective September 23, 2021 6-45-515348v7LK110-52~~ hearing is not required for a renewal license, but the Board may, in its discretion, require a hearing for a renewal. Subd. 6. Suspension or Revocation. In addition to a license action taken under Section 6-1.13, the LMCD may suspend or revoke an adult entertainment license in the event of any of the following: (a) Taxes, fees assessments, or other financial claims of the LMCD, a member municipality, or of the state are due, delinquent, or unpaid; (b) Upon a finding that the licensee or an agent or employee of the licensee has failed to comply with an applicable statute, regulation, or ordinance; or (c) Conviction of a crime. No suspension or revocation will take effect until the licensee has been afforded an opportunity for a hearing, unless the violation is the conviction of a crime.

**6-5.17. Liquor Licenses and Permits.** An applicant for an on-sale liquor license, an on-sale wine license, an on-sale 3.2 percent malt liquor license, or a consumption and display permit shall be submitted, processed, and acted on in accordance with this Section. An application for a Sunday sales license may be submitted and processed at the same time as the on-sale license application. For the purposes of this Section, the term "liquor license" shall be used to refer to all licenses and permits available under Article 7, Chapter 3 unless expressly indicated otherwise. A liquor license issued under this Section is issued to a particular applicant and a particular watercraft for hire. A proposed transfer of applicant or watercraft shall require a new license. Subd. 1. Application. An application for a liquor license shall, in addition to the information required in Section 6-1.03, contain the following information: (a) The age and citizenship of the applicant; (b) Representations as to the applicant's character, with such references as the Board may require; (c) The type of license being requested; (d) The registered name of the watercraft for hire and other business in connection with which the proposed license will operate; (e) The storage location of the watercraft for hire; (f) The proposed ports of call, which are subject to Section ~~7-1.087-3-27~~; (g) Whether the applicant is owner and operator of the watercraft for hire and any related businesses; ~~Effective September 23, 2021 6-46-515348v7LK110-52~~ (h) How long the applicant has been in the business; and (i) A sample menu showing food service to be made available to customers, if applicable. Subd. 2. Issuing Authority. The Board determines whether to issue a liquor license after conducting a public hearing on the application. The notice of public hearing for consideration of a liquor license shall specify ports of call for which approval is requested by the applicant. Subd. 3. Investigations. Prior to conducting a public hearing on the application, the ~~Executive Director or the Executive Director's designee~~ LMCD staff member shall conduct the

following inspections: (a) Inspect the watercraft and the facilities of proposed ports of call and shall report to the Board on recommended modifications, conditions, or operating restrictions which may be necessary to protect the safety of the public and of passengers on the watercraft and the enjoyment of the Lake by the public. (b) Conduct a preliminary background and financial investigation of the applicant. The applicant shall consent to such investigation and issue such written consents as may be required by the LMCD to complete the investigation. Upon report of the ~~LMCD staff member~~Executive Director, the Board may determine that a comprehensive background investigation of the applicant is necessary. The Board may conduct the investigation itself or contract with the Bureau of Criminal Apprehension for the investigation. No license shall be issued, transferred, or renewed if the results show to the satisfaction of the Board that issuance would not be in the public interest. If an investigation outside the state is required, the applicant shall be charged with the actual cost not to exceed \$10,000. The fee, after deducting any initial investigation fee already paid, shall be payable by the applicant whether or not the license is granted.

Subd. 4. Limitations. In addition to the requirements and limitations contained in Article 7, Chapter 3, the following limitations, requirements, and prohibitions shall apply: (a) Prior to the actual issuance of a liquor license, the applicant shall file with the ~~LMCD staff member~~Executive Director proof of a liability insurance policy, bond, or other security in compliance with the provisions of Minnesota Statutes, section 340A.409 to address liability imposed by Minnesota Statutes, section 340A.801. Any liability insurance policy filed as proof of financial responsibility shall conform to Minnesota Statutes, section 340A.409; (b) A liquor license may only be issued to a watercraft for hire holding a current ~~certificate of registration license~~ from the LMCD; (c) A liquor license shall not be issued to any person ineligible for a liquor license under Section 7-3.07; ~~Effective September 23, 2021 6-47-515348v7LK110-52~~ (d) A liquor license shall not be issued to any business that is ineligible for a license under Section 7-3.09; (e) A licensee shall comply with the conditions contained in Section 7-3.13; (f) The ports of call used for the operation must be authorized as provided in Section 7-3.27; (g) No liquor license shall be transferred to another watercraft or to another applicant without first obtaining a new liquor license. Any transfer of more than 10 percent of stock of a corporate licensee is deemed a transfer of the license requiring a new license; and (h) No on-sale wine license shall become effective until it, together with the security furnished by the applicant, has been approved by the Commissioner of Public Safety.

Subd. 5. Renewals. A liquor license expires on December 31st of the year in which it is issued and must be renewed for each year in which alcoholic beverages are to be sold or consumed and displayed. All renewal applications shall be submitted no later than February 1st of the license year. An investigation and hearing are not required for the renewal of a liquor license, but the Board may, in its discretion, require an investigation and hearing for a renewal.

Subd. 6. Suspension or Revocation. In addition to a license action taken under Section 6- 1.13, the Board may revoke or suspend for up to 60 days a liquor license, impose a civil penalty of up to \$2,000 per violation, or impose any combination of these sanctions if it finds the licensee has violated any applicable federal, state, or local law, rule, regulation, or ordinance, or committed any offense identified in Minnesota Statutes, section 340A.415. No suspension or revocation shall take effect until the licensee has been afforded an opportunity for a hearing.